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<b>Rule Citation:</b>	<b>20 NCAC 12 .0101(a)</b>
<b>Rule Title:</b>	<b>SHP Rule on Employing Unit Payroll Integrations</b>
<b>Current Effective Date:</b>	<b>February 1, 2026</b>
<b>Original Effective Date:</b>	<b>January 1, 2025</b>

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**Applies to:** North Carolina State Health Plan for Teachers and State Employees (Plan), a Division of the Department of State Treasurer

**Keywords:** Employing Unit, EES Vendor

### **Purpose**

The purpose of this rule is to outline the requirements for Employing Units participating in the Plan to implement and maintain payroll integrations with the Plan’s Eligibility and Enrollment Services (EES) Vendor.

### **Related Statutes, Rules, and Policies**

North Carolina General Statutes, Chapter 135, Article 3B

### **Rule**

This rule outlines the requirements and responsibilities for Employing Units that want to implement and maintain payroll integration with the Plan’s EES vendor for the purpose of sending employee eligibility to the EES Vendor and receiving enrollment information for the purposes of payroll deductions.

To be eligible to implement payroll integration, the Employing Unit must meet all the following requirements:

- 1) have a minimum of 4,000 employees
- 2) have the technical resources to implement, manage and update the files on an ongoing basis
- 3) agree to manage error reports on a weekly basis
- 4) agree to a 120-day standard implementation timeline. The standard implementation timeline begins on the official project start date and ends on the “Go Live” date.
- 5) be live on their payroll system for a minimum of 60 days
- 6) address any technical or manual errors as needed to ensure members are enrolled on a timely basis.

Employing Units that implement payroll integration and subsequently fail to properly manage their files will have their payroll file connectivity suspended and will have to manage enrollment manually. The decision to discontinue an Employing Unit’s payroll file integration is at the sole discretion of the Plan.

### **Roles and Responsibilities**

Employing Unit: Responsible for sending accurate eligibility via their payroll file and making updates and/or enhancements to their files as needed to support Plan enrollment. The Employing Unit is also responsible for responding to any issues and resolving any errors identified via the file error reports on a timely basis.

**Plan Integration:** Manages the EES Contract. Reviews and assesses employing units request for payroll integration. This team also provides oversight of payroll integration between the Employing Unit and the EES vendor.

**Nature of the Rule**

The rule governs the Employing Unit’s ability to establish and maintain payroll integration with the Plan’s EES Vendor. This rule serves as a binding interpretative statement, within the delegated authority of the Department of State Treasurer pursuant to N.C. Gen. Stat. § 135-48.25. The rule implements the laws and regulations listed above. Those laws or regulations, not this rule, shall take priority if they conflict in any way.

**Implementation**

New Payroll File Integrations

1. **Employing Units** may initiate a request to the Plan to implement payroll integration by emailing [HBRInquiries@nctreasurer.com](mailto:HBRInquiries@nctreasurer.com).
2. **Plan Integration** will evaluate the request and if the Employing Unit meets the minimum employee count, the Plan will schedule a meeting with the Employing Unit and the EES Vendor to review the technical and business requirements along with the implementation costs. Possible timelines for implementation will also be discussed.
3. **Plan/Employing Unit:** If the Plan agrees that the Employing Unit may proceed with the implementation, the Plan and Employing Unit will execute a Memorandum of Understanding (MOU) outlining the initial and ongoing responsibilities of payroll integration as well as the Employing Unit’s responsibility to reimburse the Plan for the cost of the implementation.
4. **Plan/Employing Unit/EES Vendor** will execute an Administrative Decision Memo outlining the high-level requirements, responsibilities and timelines.
5. Once the ADM and MOU are executed, the implementation may begin.

**Enforcement**

This rule may be amended by the Plan’s Executive Administrator, in consultation with the Board of Trustees. Proposed amendments will be noticed for public comment at least 30 days prior to adoption.

**Revision/Review History**

Version/Revision	Date Approved	Description of Changes
2.0		Adds two additional requirements an Employing Unit must meet to be eligible for payroll integration: agree to a 120-day standard implementation timeline and be live on the payroll system for a minimum of 60 days.

*For questions or clarification on any of the information contained in this rule, please contact the rule owner or designated contact point: Caroline Smart, Senior Director of Plan Integration at [Caroline.Smart@nctreasurer.com](mailto:Caroline.Smart@nctreasurer.com). For general questions about department-wide rules, policies, and procedures, contact the [DST Policy Coordinator](#).*