DST POLICIES AND PROCEDURES

DST Reference:	**SHP-POL-3017-SHP**
Title:	**Employing Units that Elect to Participate in the State Health Plan**
Chapter:	**Plan Operations**
Current Effective Date:	**December 2, 2025**
Original Effective Date:	**December 2, 2025**

Applies to: **NC Department of State Treasurer – State Health Plan Division**

Keywords: Contributions; Charter School; Eligibility; Employing Units; Local Governments; Plan Options; Premiums; State Health Plan.

Background

The State provides a State Health Plan exclusively for the benefit of eligible State employees, eligible retired State employees, and their eligible dependents. The State Treasurer, Executive Administrator, and Board of Trustees carry out their duties and responsibilities as fiduciaries for the Plan. Certain local government units and the board of directors of charter schools may elect to participate in the Plan as an employing unit in accordance with N.C. Gen. Stat. §§ 135-48.47 and § 135-48.54, respectively.

All participating employing units are required to adhere to the State and federal statutory and regulatory requirements governing the Plan, as well as applicable Plan rules, policies, and procedures.

Purpose

This policy provides guidance for all participating employing units and their Plan members.

Policy

Employing units that elect to participate in the Plan must do so in accordance with the Policy.

Definitions

Charter school: A charter school that elected to participate in the Plan in accordance with N.C. Gen. Stat. § 135-48.54.

Contributions: All payments from participating employing units and members of the Plan that help fund the benefits and administrative costs of the Plan. Examples of contributions include employer and employee premiums and percent-of-salary contributions.

Employing unit that elects to participate in the Plan: A charter school or local government unit.

Local government unit: A local government unit that elected to participate in the Plan in accordance with N.C. Gen. Stat. § 135-48.47.

Participating employing unit: The same as the defined term "employing unit" in N.C. Gen. Stat. § 135-48.1.

Plan member: Defined in N.C. Gen. Stat. § 135-48.1.

State employing unit: A North Carolina School System; Community College; State Department, Agency, or Institution; the University of North Carolina Health Care System; Administrative Office of the Courts;

or Association or Examining Board whose employees are eligible for membership in a State-Supported Retirement System.

Implementation

An employing unit that elects to participate in the Plan must do all the following:

- Pay contributions directly to the Plan or its designee in the same manner and to the same extent as paid by State employing units.
- Make all contribution payments in a timely manner. Failure to pay these payments within sixty days of due date may result in the participating employing unit's termination from the Plan retroactive to the last day of the month for which the payments were paid in full. (N.C. Gen. Stat. § 135-48.44(a)(9)).
- Collect all employee premium contributions. Employees shall pay their share of premium contributions for themselves and any applicable dependents to the employing unit. The premium contributions shall conform to the premium contributions in the structure set by the Plan and the Plan options shall be the same as those offered to State employees.
- Determine the eligibility of its employees and employee's dependents, consistent with the requirements of N.C. Gen. Stat. § 135-48.40 et seq. The Plan may terminate any ineligible person at any time.
- Adhere to all applicable State and federal laws and regulations, including Article 3B of Chapter 135 of the North Carolina General Statutes, and all Plan policies, procedures, and rules.

Enforcement

The Executive Administrator of the State Health Plan shall have the authority to interpret and apply this policy. This policy may be modified at any time. Initial and continued participation in the Plan is not guaranteed to any employee or dependent, and participation is contingent on the participating employing unit's ongoing compliance with all applicable State and federal law and regulation as well as Plan rules, policies, and procedures. Failure to comply with any requirement may result in the participating employing unit and its employees and dependents being ineligible for participation.

Related Statutes, Rules, and Policies

1. Article 3B of Chapter 135 of the North Carolina General Statutes
2. N.C. Gen. Stat. §§ 135-48.2, 135-48.8, 135-48.47, and 135-48.54

Revision/Review History

Version	Date Approved	Description of Changes
1.0	12/2/2025	New Policy

For questions or clarification on any of the information contained in this policy, please contact the policy owner or designated contact point: Caroline Smart at caroline.smart@nctreasurer.com. For general questions about department-wide policies and procedures, contact the DST Policy Coordinator.