



CHAPTER 128
ARTICLE 3 - RETIREMENT SYSTEM FOR COUNTIES, CITIES AND TOWNS

N.C.G.S. § 128-38.3.

Deduction for payments allowed.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 03:39 UTC	SOURCE FINGERPRINT 7e923ac62244a79c761c21ec - e410c9b81186271798b761ba - f9b7c98f88159a87
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- § 128-38.3(a)

Any beneficiary who is a member of a domiciled employees' or retirees' association that has at least 2,000 members, the majority of whom are active or retired employees of employers as defined in G.S. 128-21(11), may authorize, in writing, the periodic deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. The authorization shall remain in effect until revoked by the beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or retirees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit.
- § 128-38.3(b)

Any beneficiary eligible for coverage under the State Health Plan may also authorize, in writing, the monthly deduction from the beneficiary's retirement benefits of a designated lump sum to be paid to the State Health Plan for any dependent whom the beneficiary wishes to cover under the State Health Plan. In the event that the beneficiary's own State Health Plan coverage is contributory, in whole or in part, the beneficiary may also authorize a designated lump sum to be paid to the State Health Plan on behalf of the beneficiary. In addition, a beneficiary may similarly authorize the deduction for supplemental voluntary insurance benefits, provided that the deduction is authorized by the Department of State Treasurer and is payable to a company with which the Department of State Treasurer has or had an exclusive contractual relationship. Any such authorization shall remain in effect until revoked by the beneficiary.
- § 128-38.3(c)

For local employers who made arrangements with the Retirement System prior to January 1, 2017, any beneficiary who is a retiree from an employer in the Retirement

System under this Article may authorize the periodic deduction from the beneficiary's retirement benefits as designated lump sum to be paid to the beneficiary's former employer for the purpose of providing health benefits. The authorization shall remain in effect until revoked by the beneficiary, and proof of the authorization must be available on request of the Department of the State Treasurer. The Department of State Treasurer is prohibited from making any arrangements to deduct from a beneficiary's retirement benefits an amount to be paid to the beneficiary's former employer for the purpose of providing health benefits. (2001-424, s. 32.31; 2002-126, s. 6.4(b); 2012-178, s. 4(b); 2017-128, s. 3; 2025-11, s. 4(a).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 128-21(11)	(a)	"employees of employers as defined in"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 128-38.3 (2026).

PINPOINT

N.C. Gen. Stat. § 128-38.3(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

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