



NCRGEA Government Relations Update

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2021 NCRGEA Legislative Priorities

Protect retiree pension values -The association will continue to support efforts to stop the devaluation of local and state pension values by advocating for COLAs, tax credits and the expansion of the Bailey Act to cover all retirees.

Maintain and strengthen the defined benefit plan for current and future state and local retirees – Defending and enhancing local and state pension plans is crucial for the long-term success and viability of this benefit.

Provide the annual required contributions for the pension systems and the State Health Plan - The pension plans must continue to be appropriately funded annually to provide current and future retirees their earned benefit. Properly funding the State Health Plan is essential to provide state retirees a quality health benefit.

Improve access to health care for retirees in rural and urban North Carolina - Innovative approaches to retiree health care must be achieved to maintain the health and well-being of retirees.

Invest in retirees' quality of life through broadband expansion in underserved areas of North Carolina. - Everyone is in agreement that the state should strive for full, modern connectivity; now is the time to find a solution to the gaps in broadband.

2021 Session Overview

The political climate of the new session is not expected to change much, as the Republican Party held control of the House, Senate, and key Council of State offices, while Democratic Governor Roy Cooper won a second term. In the legislature, one key change occurred with Sen. Kathy Harrington (R-Gaston) becoming the state's first female Senate Majority Leader. Harrington has a moderate center-right voting record similar to her predecessor, Harry Brown.

Other matters confronting the legislature involve redistricting based on the new Census data, budgeting (the state hasn't passed a comprehensive budget since 2018), and setting tax rates, but addressing ongoing COVID-related problems and internet connectivity will be atop most lists.

Bills of Interest

Two weeks after convening for an organizational meeting, the North Carolina legislature returned for work Wednesday and proposed its first bills of the 2021-22 session.

On the first day of session, a total of 31 bills were filed, 14 in the House and 17 in the Senate. [Senate Bill 4](#) Equal Tax Treatment of Government Retirees was introduced by Jim Burgin (R-Harnett), Don Davis (D-Greene) and Michael Lazzara (R-Jones). SB 4 extends the state income tax exemption to all retired military personnel and local and state government retirees. The bill addresses military retiree first by kick in during the first year after revenue collections in North Carolina reach \$23,838,000,000. In addition, the proposed bill extends state tax exemptions to state and local government retirees who vested after August 12, 1989, when state revenue reaches \$24,238,000,000.

There is optimism that the first stipulation would kick in almost immediately. Tax revenues for the 2018-19 fiscal year, the most recent tabulated by the NC Department of Revenue, were 23,836,749,444. A normal rate of year-to-year growth would also set the second stipulation into effect soon.

Note: We are providing video updates of the General Assembly's activities throughout session. [NCRGEA Legislative Update 1-27-21](#) These videos will provide additional context to our priorities, bills of interest, as well as other legislative matters of interest. Enjoy!

Stay Tuned!!!

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