

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE DRH50096-LB-227 (03/08)

Short Title: Update Savings Bond Payroll Savings Program.

(Public)

Sponsors: Representative Hastings.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO UPDATE THE PAYROLL SAVINGS PROGRAM FOR SAVINGS BONDS TO REFLECT RECENT CHANGES MADE BY THE UNITED STATES TREASURY DEPARTMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-304 reads as rewritten:

"§ 143-304. **Salary deductions and purchase of bonds authorized.**

Upon the execution of such agreement by any State employee with the State department, institution or agency where employed, the department, institution or agency is authorized and empowered to deduct the sum specified in said agreement from the ~~weekly or monthly periodic~~ salary of such employee, and to show deduction on all pay rolls similar to withholding tax, retirement, insurance, hospitalization, etc. Such sums shall be ~~held until sufficient moneys have accumulated to the credit of each individual sufficient to purchase a bond, remitted by direct deposit to the United States Treasury under the TreasuryDirect Electronic Payroll Savings Program,~~ and such sum shall be invested in United States savings bonds, for and on behalf of such employee, ~~and the bonds shall be delivered to the employee as soon as practical, as provided by the United States Treasury Department. Provided that no~~ No coercion of any sort shall be exercised to require any person to participate."

SECTION 2. G.S. 115C-343 reads as rewritten:

"§ 115C-343. **Payroll savings plan for purchase of United States bonds.**

(a) The State Board of Education may authorize any local school administrative school unit within the State to establish a voluntary payroll deduction plan for the purchase of United States Savings Bonds by the employees of such local school administrative unit, and to set up the necessary machinery for carrying out the purposes of this section.

(b) Any employee of any local school administrative school unit within the State may enter into a written agreement with the local board of education by which he is employed and which has adopted such payroll savings plan to authorize deductions from his salary of certain designated sums to be invested in United States Savings Bonds of the kind and type specified in such agreement.

(c) Upon execution of such agreement by an employee of any local school administrative unit the local board of education employing such person is authorized and empowered to deduct the sum specified in said agreement from the ~~weekly or monthly periodic~~ salary of such employee and to show deductions on all payrolls in a manner similar to that in the weekly or monthly salary of such employee and to show deductions on all payrolls in a manner similar to that in which withholding tax and retirement are shown. Such sums shall be



1 ~~deposited monthly with a depository authorized by the United States Treasury Department. The~~
2 ~~sums so deposited shall be held by the depository until sufficient moneys have accumulated to~~
3 ~~the credit of each individual sufficient to purchase a bond, remitted by direct deposit to the~~
4 United States Treasury under the TreasuryDirect Electronic Payroll Savings Program, and such
5 sums shall be invested in United States Savings Bonds for and on behalf of such employee, as
6 provided by the United States Treasury Department. and the bonds shall be delivered to the
7 ~~employee as soon as practicable: Provided, that no~~ No coercion shall be exercised to require
8 any person to participate in such plan.

9 (d) Such agreement may be canceled by the employee executing the same by giving
10 written notice to the superintendent of schools who is ex officio secretary to the local board of
11 education, not later than the fifteenth day of the month in which he desires such agreement to
12 be terminated; and the local board of education may cancel any agreement herein provided for
13 upon giving 10 days written notice to the affected employee. Upon the termination of the
14 agreement, ~~the depository is hereby authorized and directed to the United States Treasury~~
15 Department shall refund any amount of money held for such employee. employee as provided
16 by the TreasuryDirect Electronic Payroll Savings Program."

17 **SECTION 3.** This act is effective when it becomes law.