

News from Jones Street

*Your legislative updates from Jackson Cozort,
RGEA Director of Government Relations*

August 29, 2025

This week was supposed to be a busy one at the General Assembly, but with the House and Senate still at a standstill over what the final budget will look like, both chambers gavelled in only to immediately adjourn, leaving budget negotiations and veto overrides on hold until later in September. Although both chambers are controlled by the same party, they continue to be at a complete stalemate over the tax package, teacher and state employee raises, as well as TSERS retiree bonuses. The House supports a larger increase for teachers, state employees and a bonus for state retirees, while the Senate is pushing for smaller raises, and no bonus for state retirees at all.

While Jones Street was quiet, across town a big shift took place in state finance. Treasurer Brad Briner chaired the first meeting of the new North Carolina Investment Authority Board, which will now oversee the investment of more than \$200 billion in state assets, including our retirement systems. RGEA helped champion H506 – 2025 State Investment Modernization Act, which made this investment board possible. These investments are key to not only keeping our pension system healthy, but providing extra funds needed for both TSERS and LGERS COLAs. Keep in mind that according to law, these investment returns are the only way for our local retirees to get a COLA, so this shift in state finance policy could be a game changer for our local retirees.

August 22, 2025

State Health Plan Update: Its Future and What It Means for Retirees

In early discussions this past winter with the State Health Plan leadership, RGEA shared that those on fixed incomes, like many of our retirees, would feel the impact of healthcare cost increases acutely.

Last Friday, the State Health Plan Board of Trustees approved a major update for 2026. The goal is to address a deficit that at one time was more than \$500 million and ensure the Plan's stability through at least 2028. There has been some confusion about the recent changes to the State Health Plan. Here are the facts and what they mean for retirees.

For retirees relying on the State Health Plan, this means:

- For a fully vested retiree who participates in the Medicare Advantage Base plan, the premium will remain \$0. There will be a \$100 increase in the maximum out-of-pocket pharmacy costs.
- For a fully vested retiree who participates in the Medicare Advantage Enhanced plan, there will be a monthly increase of \$14. There will also be a \$100 increase in the maximum on out-of-pocket pharmacy costs.
- For those on the 70/30 Medicare plan, you also will still have a \$0 premium; however, there will be increases in deductibles, copays, and out-of-pocket expenses, as well as having a dependent on the plan.
- The costs of having additional members on your Medicare Advantage Base and Enhanced plans are increasing anywhere from \$31 to \$104 monthly.
- For a fully vested non-Medicare retiree, the Base 70/30 plan premium will remain \$0. The Enhanced 80/20 plan for a non-Medicare retiree will increase by \$16 monthly. Specific dependent categories for non-Medicare retirees will actually see a decrease in monthly premiums.

Meanwhile, the Legislature still remains in recess, and the budget negotiations are still at an impasse. Lawmakers are scheduled to return August 26th, but it is still uncertain whether additional budget items, including the TSERS bonus will be taken up. With the rise in household healthcare costs for many of our retirees, it has never been more important for the Legislature to act and provide a pension supplement not just to combat inflation, but also now to combat this rise in healthcare premiums.

RGEA will continue to monitor both the Health Plan changes and legislative action closely. As always, we'll keep our members informed every step of the way.

August 15, 2025

Today, August 15th, the State Health Plan Board of Trustees will take its final votes to determine premium increases for active State Employees on the State Health Plan. While fully vested State Retirees' Humana Medicare Advantage premiums will remain stable, plan participants will have to carry two separate ID cards now: one for medical and one for pharmacy. RGEA will have its government relations team present at the meeting and provide you with updates on final decisions as they are released.

August 8, 2025

It was a very quiet week on Jones Street as both the House and the Senate went back home after an action-packed previous week of veto overrides and a very tiny mini budget. This week Governor Stein reluctantly signed what he called a "band-aid" mini budget to "keep the lights on" but was very vocal that it did not address many of the current needs of the state. Although this mini budget did fully fund the retirement pension system, it did not address the TSERS bonus that was in the House budget, or teacher and state employee raises. The Speaker of the House is still hopeful that they can come to an agreement with the Senate and pass a full budget but when that will happen remains to be seen. The legislature plans to come back August 26th to continue to negotiate the budget and possibly take up more veto overrides.

August 1, 2025

There were fireworks galore down on Jones Street this week as the legislature reconvened for two days to attempt to override Governor Stein's vetoes. As previously stated, a simple majority vote will not override a veto. Therefore, although the Republicans had all the votes they needed in the Senate, they needed to pick up one Democrat's vote in the House to obtain a successful override. The House Republicans were able to pick up enough Democrat votes to override eight out of the fourteen vetoes as Democrats Carla Cunningham (Mecklenburg), Nasif Maheed (Mecklenburg), and Shelly Willingham (Bertie, Edgecombe, Martin) all crossed over to vote with the Republicans on one or more of the eight veto overrides to give the Republicans the votes they needed to override Governor Stein's veto's, and pass these bills into law.

The legislature also passed a very small mini-budget, which addressed some time-sensitive and non-controversial items, such as funding for public schools, colleges, and universities. It also fully funded our pension system and appropriated \$100 million into the state health plan to help address the \$ 500 million shortfall within the system. The more controversial items, such as tax cuts, teacher pay raises, state employee raises, and TSERS (Teachers and State Employee Retirement System) bonuses, are still on the table. Like last month, the legislature intends to take almost the entire month off and return on August 26th to continue working on these essential items. To put into perspective how small this mini budget was, it appropriated approximately one billion dollars in funding. A regular budget appropriates well over 30 billion in funding, so the legislature still has a sizeable amount of budget work to do as the new fiscal year is well underway. It is an important time to stay informed about what the legislature is doing for retirees and those currently employed by the state. Stay tuned to News From Jones Street and other related communications from RGEA to ensure the voice of our 60,000 members is heard by our elected officials.