

Employment Contracts Policy

Contents:

§ 1.	Policy	1
§ 2.	Sources of Authority	2
§ 3.	History of This Policy	3

§ 1. Policy

(a) Except as to apprenticeship agreements executed according to the provisions of

Article 1A, G.S. 115D and except as to provisions of Paragraph (b) below, the following provisions apply to employment contracts:

- (1) No employee shall be required, as a condition of employment subject to N.C.G.S. Chapter 126 to enter into a contractual arrangement with any state agency as defined in 25 NCAC 01A .0103 for employment with that agency.
- (2) No state agency may require, as a condition of employment, that an employee agree, in writing or otherwise, to a minimum specified length of employment.
- (3) No state agency may prohibit, as a condition of initial or continued employment, any employee from transferring to another state agency or university.
- (4) No state agency may require, as a condition of employment, that an employee agree, in writing or otherwise, that a payment be made to the employing agency if a minimum specified period of employment is not met.
- (5) No agency may require the repayment of the cost of job training required by the employing agency as a condition of continued employment.

(b) An agency that provides all or part of the cost of professional development seminars or other educational opportunities to employees that are not a requirement for the job and that are **in excess of \$5000** may condition the provision of agency funds upon agreement of the employee to repay the funds subject to the following conditions:

- (1) The employee is informed about the repayment provisions in advance,
- (2) The amount of time that the agency expects the employee to remain employed is clearly specified and does not exceed one year,

Employment Contracts Policy (cont.)

- (3) The prorated amount that the employee will have to repay for each month the employee leaves prior to the end of the term is specified in the agreement, and
- (4) The terms of the agreement are reduced to writing and the employee and the human resources director both sign the agreement.
- (5) "In excess of \$5,000" is per agency payment.

Example:

In 2023, Jane Doe starts a 4-semester, 2-year masters' degree. Agency agrees to pay \$4000 per semester, paid by the agency on successful completion of each semester.

- *Question:* Could the agency require Jane Doe to enter into an employment contract in 2023, when the masters' degree starts?
- *Answer:* **No** because each payment (each semester) is \$4,000, less than the \$5,000 threshold.

Later, in 2026, Jane Doe asks the agency to pay for a \$1500 professional development course.

- *Question:* Could the agency require Jane Doe to enter into an employment contract in 2026, when the agency pays for an additional \$1500 course?
- *Answer:* **No**, because the \$1,500 payment is less than the \$5,000 threshold.

Cross References

See the *Academic Assistance Policy* and the *Employee Learning and Development Policy* for additional, related information.

§ 2. Sources of Authority

- This policy is issued under N.C.G.S. § 126-4(5), (6) and 25 NCAC 01C .0215.
 - This policy is compliant with Article 1A, N.C.G.S. Chapter 115D.
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Employment Contracts Policy (cont.)

§ 3. History of This Policy

Date	Version
September 1, 1989	First version
November 1, 1990	Added provision of paragraph 1 and 2 for apprenticeship agreements.
May 1, 2008	Revised policy to allow an agency to require repayment of a portion of the cost for optional training if the employee does not remain employed with the agency for a predetermined length of time. The employee would be informed of this requirement in writing along with details about the amount of time required to work.
October 1, 2020	Policy reviewed by the Recruitment Division to confirm alignment with current practices and by the Legal, Commission, and Policy Division to confirm alignment with statutory, rule(s), and other policies. No substantive changes. General editorial changes to text, grammar, and language. All changes were minor wording and format changes for clarification.
April 20, 2023	<ul style="list-style-type: none"> • Corrected statutory and code citations. See page 1. • The existing policy allows employment contracts requiring an employee to stay with the agency for a minimum specified length of employment if the agency pays for "in excess of \$5000" for professional development seminars or other educational opportunities to employees that are not a requirement for the job. See page 1. The proposed revisions to the policy would specify that this \$5,000 trigger is measured "per agency payment." See page 2. • Added cross references to other relevant policies. See page 2. • Added a Sources of Authority section. See page 2.