Text of Human Resources Act, Updated with Changes in the 2025 Legislative Session

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Version 0.122, last updated November 6, 2025 (through Session Law 2025-97)

This document provides the current text of Chapter 126 of the North Carolina General Statutes, updated to reflect the 2025 legislative session.

The Office of State Human Resources has prepared this document by reviewing Session Laws 2025-1 through 2025-97. This document is meant to be a short-term tool for Human Resources staff until the legislature's webpage for Chapter 126 is updated. After the legislature's webpage is updated, this document will be archived and OSHR's website will instead link to the legislature's webpage.

During the session to date, the following bills have modified Chapter 126 or other state HR statutes. The text of this document reflects the changes made by these bills.

2025 House Bill 74, Session Law 2025-4 (Budget Technical Corrections)
2025 House Bill 506, Session Law 2025-6 (State Investment Modernization Act)
2025 Senate Bill 477, Session Law 2025-10 (DNCR Agency Bill)
2025 House Bill 40, Session Law 2025-25 (General Statutes Commission Changes)
2025 Senate Bill 124, Session Law 2025-34 (State Hiring Accessibility and Modernization)
2025 Senate Bill 391, Session Law 2025-47 (DOT Omnibus)
2025 Senate Bill 710, Session Law 2025-51 (DPS Agency Changes)
2025 Senate Bill 125, Session Law 2025-56 (Various Education Changes)
2025 House Bill 125, Session Law 2025-89 (Budget Adjustments)
2025 House Bill 358, Session Law 2025-92 (Continuing Budget Operations Part II)
2025 Senate Bill 449, Session Law 2025-97 (Continuing Budget Operations Part IV)

Chapter 126.
North Carolina Human Resources Act.

Article 1.
State Human Resources System Established.

§ 126-1. Purpose of Chapter; application to local employees.

It is the intent and purpose of this Chapter to establish for the government of the State a system of personnel administration under the Governor, based on accepted principles of personnel administration and applying the best methods as evolved in government and industry. It is also the intent of this Chapter that this system of personnel administration shall apply to local employees paid entirely or in part from federal funds, except to the extent that local governing boards are authorized by this Chapter to establish local rules, local pay plans, and local personnel systems. It is also the intent of this Chapter to make provisions for a decentralized system of personnel administration, where appropriate, and without additional cost to the State, with the State Human Resources Commission as the policy and rule-making body. The Office of State Human Resources shall make recommendations for policies and rules to the Commission based on research and study in the field of personnel management, develop and administer statewide standards and criteria for good personnel management, provide training and technical assistance to all agencies, departments, and institutions, provide oversight, which includes conducting audits to monitor compliance with established State Human Resources Commission policies and

rules, administer a system for implementing necessary corrective actions when the rule, standards, or criteria are not met, and serve as the central repository for State Human Resources system data. The agency, department, and institution heads shall be responsible and accountable for execution of Commission policies and rules for their employees.

§ 126-1.1. Career State employee defined.

(a) For the purposes of this Chapter, unless the context clearly indicates otherwise, "career State employee" means a State employee or an employee of a local entity who is covered by this Chapter pursuant to G.S. 126-5(a)(2) who:

(1) Is in a permanent position with a permanent appointment, and

(2) Has been continuously employed by the State of North Carolina or a local entity as provided in G.S. 126-5(a)(2) in a position subject to the North Carolina Human Resources Act for the immediate 12 preceding months.

(b) As used in this Chapter, "probationary State employee" means a State employee who is in a probationary appointment and is exempt from the provisions of the North Carolina Human Resources Act only because the employee has not been continuously employed by the State for the time period required by subsection (a) or (c) of this section.

(c) Notwithstanding the provisions of subsection (a) above:

(1) Employees who are hired by a State agency, department or university in a sworn law enforcement position or forensic scientist position and who are required to complete a formal training program prior to assuming law enforcement or forensic scientist duties with the hiring agency, department or university shall become career State employees only after being employed by the agency, department or university for 24 continuous months.

(2) Employees of The University of North Carolina who are exempt from the minimum wage and overtime compensation provisions of the Fair Labor Standards Act and who attained career status before September 1, 2023, have the option of either (i) continuing employment with career State employee status if the employee remains in the position the employee occupied on August 31, 2023, or (ii) waiving career State employee status and continuing employment as an exempt employee under G.S. 126-5(c1)(8). The University shall provide each affected employee with a written explanation of the impact of an election to waive career State employee status. An employee's election to waive career State employee status must be acknowledged either through the employee's written or electronic signature within 60 days of receiving the written explanation.

(3) Probationary State employees of The University of North Carolina who are exempt from the minimum wage and overtime compensation provisions of the Fair Labor Standards Act and were hired before September 1, 2023, have the option of either (i) continuing employment for the time period required by subsection (a) of this section or subdivision (1) of this subsection and earning career State employee status or (ii) continuing employment as an exempt employee under G.S. 126-5(c1)(8). The University shall provide each affected employee with a written explanation of the impact of an election to continue employment as an exempt employee. An employee's election to continue employment as an exempt employee must be acknowledged either through the employee's written or electronic signature within 60 days of receiving the written explanation.

§ 126-1A: Repealed by Session Laws 1995, c. 141, s. 2.

§ 126-2. State Human Resources Commission.

(a) There is hereby established the State Human Resources Commission (hereinafter referred to as "the Commission").

(b) Repealed by Session Laws 2013-382, s. 2.1, effective August 21, 2013.

(b1) The Commission shall consist of nine members, appointed as follows:

(1) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall be an attorney licensed to practice law in North Carolina.

(2) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall be an attorney licensed to practice law in North Carolina.

(3) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall be from private business or industry and who shall have a working knowledge of, or practical experience in, human resources management.

(4) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall be from private business or industry and who shall have a working knowledge of, or practical experience in, human resources management.

(5) One member who is a veteran of the Armed Forces of the United States appointed by the Governor upon the nomination of the Veterans' Affairs Commission and who is a State employee subject to this Chapter serving in a nonexempt supervisory position. The member may not be a human resources professional.

(6) One member appointed by the Governor who is a State employee subject to this Chapter serving in a nonexempt nonsupervisory position. The member may not be a human resources professional. The Governor shall consider nominations submitted by the State Employees Association of North Carolina.

(7) One member appointed by the Governor upon the recommendation of the North Carolina Association of County Commissioners who is a local government employee subject to this Chapter serving in a supervisory position. The member may not be a human resources professional.

(8) One member appointed by the Governor upon the recommendation of the North Carolina Association of County Commissioners who is a local government employee subject to this Chapter serving in a nonsupervisory position. The member may not be a human resources professional.

(9) One member of the public at large appointed by the Governor.

(c) Each member of the Commission shall be appointed for a term of four years. Members of the Commission may serve no more than two consecutive terms. Appointments by the General Assembly shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122. Vacancies in appointments made by the Governor occurring prior to the expiration of a term shall be filled by appointment for the unexpired term.

(d) No member of the Commission may serve on a case where there would be a conflict of interest. The appointing authority may at any time remove any Commission member for cause.

(e) Members of the Commission who are State or local government employees subject to this Chapter shall be entitled to administrative leave without loss of pay for all periods of time required to conduct the business of the Commission.

(f) Five members of the Commission shall constitute a quorum.

(g) The Governor shall designate one member of the Commission as chair.

(h) The Commission shall meet quarterly, and at other times at the call of the chair.

§ 126-3. Office of State Human Resources established and responsibilities outlined; administration and supervision; appointment, compensation and tenure of Director.

(a) There is hereby established the Office of State Human Resources (hereinafter referred to as "the Office") which shall be placed for organizational purposes within the Office of the Governor. Notwithstanding the provisions of North Carolina State government reorganization as of January 1, 1975, and specifically notwithstanding the provisions of Chapter 864 of the 1971 North Carolina Session Laws, Chapter 143A of the General Statutes, the Office of State Human Resources shall exercise all of its statutory powers in this Chapter, which shall be under the administration and supervision of a Director of the Office of State Human Resources (hereinafter referred to as "the Director") appointed by the Governor and subject to the supervision of the Commission for purposes of this Chapter. The salary of the Director shall be fixed by the Governor. The Director shall serve at the pleasure of the Governor.

(b) The Office shall be responsible for the following activities, and such other activities as specified in this Chapter:

(1) Providing policy and rule development for the Commission and implementing and administering all policies, rules, and procedures established by the Commission.

(2) Providing training in personnel management to agencies, departments, and institutions including train-the-trainer programs for those agencies, departments, and institutions who request such training and where sufficient staff and expertise exist to provide the training within their respective agencies, departments, and institutions.

(3) Providing technical assistance in the management of personnel programs and activities to agencies, departments, and institutions.

(4) Negotiating decentralization agreements with all agencies, departments, and institutions where it is cost-effective to include delegation of authority for certain classification and corresponding salary administration actions and other personnel programs to be specified in the agreements.

(5) Administering such centralized programs and providing services as approved by the Commission which have not been transferred to agencies, departments, and institutions or where this authority has been rescinded for noncompliance.

(6) Providing approval authority of personnel actions involving classification and compensation where such approval authority has not been transferred by the Commission to agencies, departments, and institutions or where such authority has been rescinded for noncompliance.

(7) Maintaining a computer database of all relevant and necessary information on employees and positions within agencies, departments, and institutions in the State's personnel system.

(8) Developing criteria and standards to measure the level of compliance or noncompliance with established Commission policies, rules, procedures, criteria, and standards in agencies, departments, and institutions to which authority has been delegated for classification, salary administration, performance management, development, evaluation, and other decentralized programs, and determining through routine monitoring and periodic review process, that agencies, departments, and institutions are in compliance or

noncompliance with established Commission policies, rules, procedures, criteria, and standards.

(9) Implementing corrective actions in cases of noncompliance.

(10) Repealed by Session Laws 2021-180, s. 20.13(b), effective July 1, 2021.

§ 126-3.1. Employing agency flexibility. (Effective July 1, 2025)

(a) For the purposes of this section, an "employing agency" means the Council of State, State agencies in the executive branch of government, the Community Colleges System Office, and The University of North Carolina.

(b) An employing agency is granted flexibility, notwithstanding other provisions of this Chapter, to do the following:

(1) Offer qualified applicants for employment the option to have their applications considered for future positions at the same agency and at other agencies within the same or comparable classification.

(2) Permit agencies to recruit and hire applicants from job postings that apply to all vacancies in a particular classification across all State agencies.

(3) Classify or reclassify positions according to the State Human Resources Commission (SHRC) classification system, provided employees meet the minimum requirements for the classification.

(4) Establish employee salaries within SHRC-determined salary ranges for respective position classifications.

(c) Nothing in this section diminishes the powers of the State Human Resources Commission or the Director of the Office of State Human Resources under any other provision of this Chapter or relating to corrective actions taken when an employing agency fails to comply with this section.

§ 126-4. Powers and duties of State Human Resources Commission.

Subject to the approval of the Governor, the State Human Resources Commission shall establish policies and rules governing each of the following:

(1) Position classification plans which shall provide for the classification and reclassification of all positions subject to this Chapter according to the duties and responsibilities of the positions.

(2) Compensation plans which shall provide for minimum, maximum, and intermediate rates of pay for all employees subject to the provisions of this Chapter.

(3) For each class of positions, reasonable qualifications as to education, experience, specialized training, licenses, certifications, and other job-related requirements pertinent to the work to be performed. Classifications, class qualifications, and classification specifications may be added, revised, and deleted by the State Human Resources Commission, subject to the approval of the Governor, or by the Director of the Office of State Human Resources based on accepted labor market practices. All changes to classifications, qualifications, and specifications by the Director of the Office of State Human Resources shall be consistent with the classification plan structure approved by the State Human Resources Commission and shall be reported to the State Human Resources Commission at its next meeting that is more than five business days from the date of the change.

(4) Recruitment programs designed to promote public employment, communicate current hiring activities within State government, and attract a sufficient flow

of internal and external applicants; and determine the relative fitness of applicants for the respective positions.

(5) Hours and days of work, holidays, vacation, sick leave, and other matters pertaining to the conditions of employment. The legal public holidays established by the Commission as paid holidays for State employees shall include Martin Luther King, Jr.'s Birthday and Veterans Day. The Commission shall not provide for more than 12 paid holidays per year, with three paid holidays being given for Christmas.

(5a) In years in which New Year's Day falls on Saturday, the Commission may designate December 31 of the previous calendar year as the New Year's holiday, provided that the number of holidays for the previous calendar year does not exceed 12 and the number of holidays for the current year does not exceed 10. When New Year's Day falls on either Saturday or Sunday, the constituent institutions of The University of North Carolina that adopt alternative dates to recognize the legal public holidays set forth in subdivision (5) of this section and established by the Commission may designate, in accordance with the rules of the Commission and the requirements of this subdivision, December 31 of the previous calendar year as the New Year's holiday.

(5b) A leave program that allows employees to volunteer in a literacy program in a public school for up to five hours each month.

(6) The appointment, promotion, transfer, demotion and suspension of employees.

(7) Cooperation with the State Board of Education, the Department of Public Instruction, the University of North Carolina, and the Community Colleges of the State and other appropriate resources in developing programs in, including but not limited to, management and supervisory skills, performance evaluation, specialized employee skills, accident prevention, equal employment opportunity awareness, and customer service; and to maintain an accredited Certified Public Manager program.

(7a) The separation of employees.

(8) A program of meritorious service awards.

(9) The investigation of complaints and the issuing of such binding corrective orders or such other appropriate action concerning employment, promotion, demotion, transfer, discharge, reinstatement, and any other issue defined as a contested case issue by this Chapter in all cases as the Commission shall find justified.

(10) Programs of employee assistance, productivity incentives, equal opportunity, safety and health as required by Part 1 of Article 63 of Chapter 143 of the General Statutes, and such other programs and procedures as may be necessary to promote efficiency of administration and provide for a fair and modern system of personnel administration.

(11) In cases where the Commission finds discrimination, harassment, or orders reinstatement or back pay whether (i) heard by the Commission or (ii) appealed for limited review after settlement or (iii) resolved at the agency level, the assessment of reasonable attorneys' fees and witnesses' fees against the State agency involved.

(12) Repealed by Session Laws 1987, c. 320, s. 2.

(13) Repealed by Session Laws 1987, c. 320, s. 3.

(14) The implementation of G.S. 126-5(e).

(15) Recognition of State employees, public personnel management, and management excellence.
(16) The implementation of G.S. 126-7.
(17) An alternative dispute resolution procedure.
(18) Delegation of authority for approval of personnel actions through decentralization agreements with the heads of State agencies, departments, and institutions.
a. Decentralization agreements with Executive Branch agencies shall require a person, designated in the agency, to be accountable to the Director of the Office of State Human Resources for the compliance of all personnel actions taken pursuant to the delegated authority of the agency. Such agreements shall specify the required rules and standards for agency personnel administration.
b. The Director of the Office of State Human Resources shall have the authority to take appropriate corrective actions including adjusting employee salaries and changing employee classifications that are not in compliance with policy or standards and to suspend decentralization agreements for agency noncompliance with the required personnel administration standards.
(19) The implementation of G.S. 126-6.3 in a manner that is consistent across all affected State agencies.

The policies and rules of the Commission shall not limit the power of any elected or appointed department head, in the department head's discretion and upon the department head's determination that it is in the best interest of the Department, to transfer, demote, or separate a State employee who is not a career State employee as defined by this Chapter.

§ 126-4.1: Repealed by Session Laws 2011-398, s. 41, effective January 1, 2012, and applicable to contested cases commenced on or after that date.

§ 126-5. Employees subject to Chapter; exemptions.

(a) This Chapter applies to all of the following:
(1) All State employees not exempted by this section.
(2) All employees of the following local entities:
a. Area mental health, developmental disabilities, and substance abuse authorities, except as otherwise provided in Chapter 122C of the General Statutes.
b. Local social services departments.
c. County health departments and district health departments.
d. Local emergency management agencies that receive federal grant-in-aid funds.

An employee of a consolidated county human services agency created pursuant to G.S. 153A-77(b) is not considered an employee of an entity listed in this subdivision.
(3) County employees not included under subdivision (2) of this subsection as the several boards of county commissioners may from time to time determine.

(b) The following definitions apply in this section:
(1) Recodified as subdivision (b)(3a) of this section by Session Laws 2022-62, s. 58(a), effective July 8, 2022.
(2) Exempt managerial position. - A position delegated with significant managerial or programmatic responsibility that is essential to the successful

operation of a State department, agency, or division, so that the application of G.S. 126-35 to an employee in the position would cause undue disruption to the operations of the agency, department, institution, or division.

(3) Exempt policymaking position. - A position delegated with the authority to impose the final decision as to a settled course of action to be followed within a department, agency, or division, so that a loyalty to the Governor or other elected department head in their respective offices is reasonably necessary to implement the policies of their offices. The term does not include personnel professionals.

(3a) Exempt position. - An exempt managerial position or an exempt policymaking position.

(4) Personnel professional. - Any employee in a State department, agency, institution, or division whose primary job duties involve administrative personnel and human resources functions for that State department, agency, institution, or division.

(c) Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), and 126-4(6), and except as to Articles 6 and 7 of this Chapter, this Chapter does not apply to any of the following:

(1) A State employee who is not a career State employee as defined by this Chapter.

(2) One confidential assistant and two confidential secretaries for each elected or appointed department head and one confidential secretary for each chief deputy or chief administrative assistant.

(3) Employees in exempt policymaking positions designated pursuant to subsection (d) of this section.

(4) The chief deputy or chief administrative assistant to the head of each State department who is designated either by statute or by the department head to act for and perform all of the duties of the department head during the department head's absence or incapacity.

(c1) Except as to Articles 6 and 7 of this Chapter, this Chapter does not apply to any of the following:

(1) Constitutional officers of the State.

(2) Officers and employees of the Judicial Department.

(2a) Deputy commissioners appointed pursuant to G.S. 97-79.

(3) Officers and employees of the General Assembly.

(4) Members of boards, committees, commissions, councils, and advisory councils compensated on a per diem basis.

(5) Officials or employees whose salaries are fixed by the General Assembly, or by the Governor, or by the Governor and Council of State, or by the Governor subject to the approval of the Council of State.

(6) Employees of the Office of the Governor that the Governor, at any time, in the Governor's discretion, exempts from the application of this Chapter by means of a letter to the Director of the Office of State Human Resources designating these employees.

(7) Employees of the Office of the Lieutenant Governor, that the Lieutenant Governor, at any time, in the Lieutenant Governor's discretion, exempts from the application of this Chapter by means of a letter to the Director of the Office of State Human Resources designating these employees.

(8) **(Effective until January 1, 2026)** Employees of The University of North Carolina who are exempt from the minimum wage and overtime

compensation provisions of the Fair Labor Standards Act, including instructional and research staff, finance professionals, business office professionals, auditor professionals, information technology professionals, physicians, dentists, pilots, and the faculty of the North Carolina School of Science and Mathematics. The Board of Governors of The University of North Carolina shall have the authority to establish positions under this subdivision to be exempt from this Chapter without further review or approval by any other State agency.

(8) **(Effective January 1, 2026)** Employees of The University of North Carolina who are exempt from the minimum wage and overtime compensation provisions of the Fair Labor Standards Act, instructional and research staff, student-oriented professionals, finance professionals, business office professionals, auditor professionals, information technology professionals, physicians, dentists, pilots, and the faculty of the North Carolina School of Science and Mathematics, and all temporary employees. The Board of Governors of The University of North Carolina shall have the authority to establish positions under this subdivision to be exempt from this Chapter without further review or approval by any other State agency.

(8a) Employees of a regional school established pursuant to Part 10 of Article 16 of Chapter 115C of the General Statutes.

(8b) Employees of a school for the deaf or blind governed by Article 9C of Chapter 115C of the General Statutes hired on or after July 1, 2024.

(9) Employees whose salaries are fixed under the authority vested in the Board of Governors of The University of North Carolina by the provisions of G.S. 116-11(4), 116-11(5), and 116-14.

(9a) Employees of the North Carolina Cooperative Extension Service of North Carolina State University and North Carolina Agricultural and Technical State University who are employed in county operations and who are not exempt pursuant to subdivision (8) or (9) of this subsection.

(10) Repealed by Session Laws 1991, c. 84, s. 1.

(11) Repealed by Session Laws 2006-66, s. 9.11(z), effective July 1, 2007.

(12), (13) Repealed by Session Laws 2001-474, s. 15, effective November 29, 2001.

(14) Employees of the North Carolina State Ports Authority.

(15) Employees of the North Carolina Global TransPark Authority.

(16) The executive director and one associate director of the North Carolina Center for Nursing established under Article 9F of Chapter 90 of the General Statutes.

(17) Repealed by Session Laws 2004-129, s. 37, effective July 1, 2004.

(18) Employees of the Tobacco Trust Fund Commission established in Article 75 of Chapter 143 of the General Statutes.

(19) Employees of the Health and Wellness Trust Fund Commission established in Article 21 of Chapter 130A of the General Statutes.

(20) Repealed by Session Laws 2008-134, s. 73(d), effective July 28, 2008.

(21) Repealed by Session Laws 2019-32, s. 1(b), effective July 1, 2019.

(22) Employees of the North Carolina Turnpike Authority.

(23) The Executive Administrator of the State Health Plan for Teachers and State Employees.

(24) Employees of the State Health Plan for Teachers and State Employees as designated by law or by the Executive Administrator of the Plan.

(25) The North Carolina State Lottery Director and employees of the North Carolina State Lottery.

(26) Repealed by Session Laws 2011-145, s. 7.31(c), as added by Session Laws 2011-391, s. 17, and by Session Laws 2011-266, s. 1.37(c), effective July 1, 2011.

(27) The Chief Administrative Law Judge of the Office of Administrative Hearings and five employees of the Office of Administrative Hearings as designated by the Chief Administrative Law Judge.

(28) The Executive Director and the Assistant Director of the U.S.S. North Carolina Battleship Commission.

(29) The Executive Director, Deputy Director, all other directors, assistant and associate directors, and center fellows of the North Carolina Center for the Advancement of Teaching.

(30) Employees of the Department of Commerce employed in the Rural Economic Development Division.

(30a) Repealed by Session Laws 2018-5, s. 15.5(e), effective July 1, 2018.

(31) Repealed by Session Laws 2021-180, s. 9B.4(c), effective July 1, 2021.

(32) Employees of the North Carolina Health Information Exchange Authority.

(33) Employees of the Division of Health Benefits of the Department of Health and Human Services.

(34) Repealed by Session Laws 2021-180, s. 9F.19(a), effective December 18, 2021.

(35) The Associate Superintendent of Early Education who serves as chief academic officer of early education.

(36) Employees of the North Carolina Youth Outdoor Engagement Commission.

(37) Employees of the Division of State Operated Healthcare Facilities of the Department of Health and Human Services who are (i) health care professionals licensed under Chapter 90 or Chapter 90B of the General Statutes or (ii) engineers responsible for maintenance or buildings operations at one of the health care facilities operated by the Secretary of the Department of Health and Human Services under G.S. 122C-181.

(38) The Executive Director of the North Carolina Boxing and Combat Sports Commission created pursuant to G.S. 143-652.2.

(39) Employees of the State Bureau of Investigation, that the Director of the State Bureau of Investigation, at any time, in the Director of the State Bureau of Investigation's discretion, exempts from the application of this Chapter by means of a letter to the Director of the Office of State Human Resources designating these employees. The Director of the State Bureau of Investigation may exempt no more than 10 employees under the authorization set forth in this subdivision.

(40) (**Including changes that became law October 22, 2025, effective retroactively to July 1, 2025**) Employees of the State Highway Patrol, that the Commander of the State Highway Patrol, at any time, in the Commander of the State Highway Patrol's discretion, exempts from the application of this Chapter by means of a letter to the Director of the Office of State Human Resources designating these employees. The Commander of the State Highway Patrol may exempt no more than 17 employees under the authorization set forth in this subdivision.

Note to readers: The next few lines assume that the Codifier of Statutes resolves a numbering conflict by renumbering as (c1)(41) and (42) what Session Law 2025-6 lists as (c1)(40) and (41).

(41) **(Effective July 1, 2025 and applies to employees hired on or after that date)** The Chief Investment Officer of the North Carolina Investment Authority established under Part 4 of Article 6 of Chapter 147 of the General Statutes.

(42) **(Effective July 1, 2025 and applies to employees hired on or after that date)** Employees of the North Carolina Investment Authority established under Part 4 of Article 6 of Chapter 147 of the General Statutes who possess specialized skills or knowledge necessary for the proper administration of investment programs and who are employed in a position designated by the Chief Investment Officer as exempt in accordance with G.S. 147-72.1.

(c2) This Chapter does not apply to any of the following:

(1) Public school superintendents, principals, teachers, and other public school employees.

(2) Recodified as G.S. 126-5(c)(4) by Session Laws 1985 (Regular Session, 1986), c. 1014, s. 41.

(3) **(Including changes effective July 3, 2025)** Employees of community colleges whose salaries are fixed in accordance with G.S. 115D-6.1 and G.S. 115D-20 and employees of the Community Colleges System Office whose salaries are fixed by the State Board of Community Colleges in accordance with G.S. 115D-3.

(4) Employees of the Office of Proprietary Schools whose salaries are fixed by the State Board of Proprietary Schools in accordance with G.S. 115D-89.2.

(5) Officers, employees, and members of the governing board of a North Carolina nonprofit corporation with which the Department of Commerce has contracted pursuant to the authority granted in G.S. 143B-431.01.

(c3) Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(5) and Article 6 of this Chapter, this Chapter does not apply to teaching and related educational classes of employees of the Division of Juvenile Justice of the Department of Public Safety, the Department of Health and Human Services, and any other State department, agency, or institution, whose salaries shall be set in the same manner as set for corresponding public school employees in accordance with Chapter 115C of the General Statutes.

(c4) Repealed by Session Laws 1993, c. 321, s. 145(b).

(c5) Notwithstanding any other provision of this Chapter, Article 14 of this Chapter applies to all State employees, public school employees, and community college employees.

(c6) Article 15 of this Chapter applies to all State employees, public school employees, and community college employees.

(c7) **(Including changes effective July 1, 2025)** Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), 126-4(6), 126-14.3, 126-14.3A, and except as to G.S. 126-3.1, 126-14.2, 126-14.3B, G.S. 126-34.02(b)(1) and (2), and Articles 6 and 7 of this Chapter, this Chapter does not apply to exempt managerial positions.

(c8) Except as to Articles 5, 6, 7, and 14 of this Chapter, this Chapter does not apply to any of the following:

(1) Employees of the University of North Carolina Health Care System.

(2) Employees of the University of North Carolina Hospitals at Chapel Hill.

(3) Employees of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill.

(4) Employees of the Medical Faculty Practice Plan, a division of the School of Medicine of East Carolina University.

(5) Employees of UNC-CH Dental School Clinical Operations, a division of the Adams School of Dentistry at the University of North Carolina at Chapel Hill.

(6) Employees of ECU Dental School Clinical Operations, a division of the School of Dental Medicine at East Carolina University.

(c9) Notwithstanding any other provision of this section, Article 16 of this Chapter applies to all exempt and nonexempt State employees in the executive, legislative, and judicial branches unless provided otherwise by Article 16 of this Chapter. Article 16 of this Chapter does not apply to employees described in subdivisions (2) and (3) of subsection (a) of this section.

(c10) Notwithstanding any other provision of this section, G.S. 126-8.5 applies to all exempt and nonexempt State employees in the executive, legislative, and judicial branches unless provided otherwise by G.S. 126-8.5. G.S. 126-8.5 does not apply to employees described in subdivisions (2) and (3) of subsection (a) of this section.

(c11) The following are exempt from (i) the classification and compensation rules established by the State Human Resources Commission pursuant to G.S. 126-4(1) through (4); (ii) G.S. 126-4(5) only as it applies to hours and days of work, vacation, and sick leave; (iii) G.S. 126-4(6) only as it applies to promotion and transfer; (iv) G.S. 126-4(10) only as it applies to the prohibition of the establishment of incentive pay programs; and (v) Article 2 of Chapter 126 of the General Statutes, except for G.S. 126-7.1:

(1) The Office of the Commissioner of Banks and its employees.

(2) The following employees of the Department of Natural and Cultural Resources:

a. Director and Associate Directors of the North Carolina Museum of History.

b. Program Chiefs and Curators.

c. Regional History Museum Administrators and Curators.

d. **(Including changes effective June 11, 2025)** Employees assigned to assist the North Carolina Symphony Society, Incorporated.

e. Director, Associate Directors, and Curators of Tryon Palace.

f. Director, Associate Directors, and Curators of Transportation Museum.

g. Director and Associate Directors of the North Carolina Arts Council.

h. Director, Assistant Directors, and Curators of the Division of State Historic Sites.

(3) Employees of the Department of Information Technology (DIT), and employees in all agencies, departments, and institutions with similar classifications as DIT employees, who voluntarily relinquish annual longevity payments, relinquish any claim to longevity pay, voluntarily relinquish any claim to career status or eligibility for career status as approved by the State Chief Information Officer and the Director of the Office of State Human Resources (OSHR).

(4) Employees of the Utilities Commission and the Commission's Public Staff.

(c12) **(Including changes effective July 1, 2025 and applicable to employees hired on or after that date)** Except as to G.S. 126-13, 126-14, 126-14.1, and Articles 6, 7, 14, 15, and 16 of this Chapter, this Chapter does not apply to employees of the Department of State Treasurer possessing specialized skills or knowledge necessary for the proper administration of investment programs and compensated pursuant to G.S. 147-65.2(b).

(c13) Except as to G.S. 126-13, 126-14, 126-14.1, and Articles 6, 7, 14, 15, and 16 of this Chapter, this Chapter does not apply to employees of the Department of State Treasurer possessing specialized skills or knowledge necessary for the proper administration of the Supplemental Retirement Plans and compensated pursuant to G.S. 135-91(c).

(c14) (**Including changes that became law August 6, 2025, effective retroactively to July 1, 2025**) Notwithstanding any provision of this Chapter to the contrary, each Council of State agency, the Office of the State Controller, and the Executive Director of the State Board of Elections has the sole authority to set the salary of its exempt policymaking and exempt managerial positions within the minimum rates, and the maximum rates plus ten percent (10%), established by the State Human Resources Commission under G.S. 126-4(2).

(c15) Notwithstanding any provision of this Chapter to the contrary, the State Chief Information Officer (State CIO) may do the following:

(1) Classify or reclassify positions in the Department of Information Technology (DIT) according to the classification system established by the State Human Resources Commission (SHRC) as long as the employee meets the minimum requirements of the classification.

(2) Set salaries for DIT employees within the salary ranges for the respective position classification established by the SHRC.

(c16) Except as to Articles 6, 7, and 8 of this Chapter, this Chapter does not apply to commissioned police officer positions of the University of North Carolina. Employees in positions covered by this exception are eligible for all employment and retirement benefits provided to State law enforcement officers subject to this Chapter.

(c17) **(Including changes effective July 1, 2025)** Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), 126-4(6), 126-7, 126-14.3, 126-14.3A, and except as to the provisions of G.S., 126-3.1, G.S. 126-14.2, G.S. 126-14.3B, G.S. 126-34.1(a)(2), and Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to a warden of an adult corrections facility.

[Note: There is a broken cross-reference above in section 126-5(c17). The citation to "G.S. 126-34.1(a)(2)" should read "G.S. 126-34.01(a)(2)" instead. OSHR will ask the legislature to make this technical correction in the future.]

(c18) **(Including changes effective July 1, 2025)** Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), 126-4(6), 126-4(7), and 126-14.3, and except as to the provisions of G.S. 126-3.1, 126-14.2, 126-14.3A, 126-14.3B, 126-34.02(b)(1) and (2), and Articles 6 and 7 of this Chapter, this Chapter does not apply to the warden of a State adult correctional facility. Employees in these positions shall be public servants under G.S. 138A-3(70) and shall file Statements of Economic Interest under G.S. 138A-22. Employees in these positions shall receive the protections of former G.S. 126-5(e) if the employees were hired before the date of its repeal and have the minimum cumulative service to qualify under that subsection.

(c19) Notwithstanding any other provision of this Chapter, G.S. 126-8.6 applies to all State employees, public school employees, and community college employees. G.S. 126-8.6 does not apply to employees described in subdivisions (2) and (3) of subsection (c1) of G.S. 126-5. The legislative and judicial branches shall adopt parental leave policies.

(c20) Notwithstanding any provision of law to the contrary, G.S. 126-14.5 shall apply to all (i) nonexempt State employees in the executive branch, including nonexempt employees of The University of North Carolina and nonexempt employees of the Community Colleges System Office, and (ii) community college employees.

(c21) Notwithstanding any provision of law to the contrary, G.S. 126-14.6 shall apply to all (i) nonexempt State employees in the executive branch, including nonexempt employees of The University of North Carolina and nonexempt employees of the Community Colleges System Office, and (ii) community college employees.

(d)(1) Exempt Positions in Cabinet Department. - Subject to this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of 425 exempt positions throughout the following departments and offices:

a. Department of Administration.
b. Department of Commerce.
c. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
d. Department of Public Safety.
e. Department of Natural and Cultural Resources.
f. Department of Health and Human Services.
g. Department of Environmental Quality.
h. Department of Revenue.
i. Department of Transportation.
j. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
k. Department of Information Technology.
l., m. Repealed by Session Laws 2016-126, 4th Ex. Sess., s. 7, effective December 19, 2016.
n. Department of Military and Veterans Affairs.
o. Department of Adult Correction.

(2) (**Including changes that became law August 6, 2025, effective retroactively to July 1, 2025**) Exempt Positions in Council of State Departments and Offices, the Office of the State Controller, and the State Board of Elections. - The Secretary of State, the Auditor, the Treasurer, the Attorney General, the Superintendent of Public Instruction, the Commissioner of Agriculture, the Commissioner of Insurance, the Labor Commissioner, the State Controller, and the Executive Director of the State Board of Elections may designate exempt positions. The number of exempt policymaking positions in each department headed by an elected department head listed in this subdivision is limited to 25 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions is limited to 25 positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt policymaking positions designated by the Superintendent of Public Instruction is limited to 70 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions designated by the Superintendent of Public Instruction is limited to 70 exempt managerial positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The total number of exempt positions, policymaking and managerial, designated by the Office of the State Controller is limited to 10. The total number of exempt positions designated by the Executive Director of the State Board of Elections is limited to the following seven positions: Agency Human Relations Director II, Agency General Counsel II, Assistant General Counsel II, Public Information Manager, Legislative Affairs Manager, Internal Auditor, and Administrative Officer III.

(2a) Designation of Additional Positions. - The Governor or elected department head may request that additional positions be designated as exempt. The request shall be made by sending a list of exempt positions that exceed the limit imposed by this subsection to the Speaker of the North Carolina House of Representatives and the President of the North Carolina Senate. A copy of the list also shall be sent to the Director of the Office of State Human

Resources. The General Assembly may authorize all, or part of, the additional positions to be designated as exempt positions. If the General Assembly is in session when the list is submitted and does not act within 30 days after the list is submitted, the list is deemed approved by the General Assembly, and the positions shall be designated as exempt positions. If the General Assembly is not in session when the list is submitted, the 30-day period shall not begin to run until the next date that the General Assembly convenes or reconvenes, other than for a special session called for a specific purpose not involving the approval of the list of additional positions to be designated as exempt positions; the policymaking positions shall not be designated as exempt during the interim.

(2b) Designation of Liaison Positions. - Liaisons to the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 for the Departments of Commerce, Environmental Quality, and Transportation are designated as exempt.

(2c) Repealed by Session Laws 2017-6, s. 1, effective May 1, 2017.

(3) Letter. - Exempt positions shall be designated in a letter to the Director of the Office of State Human Resources, the Speaker of the House of Representatives, and the President of the Senate by July 1 of the year in which the oath of office is administered to each Governor unless subdivision (4) of this subsection applies.

(4) (**Including changes that became law August 6, 2025, effective retroactively to July 1, 2025**) Vacancies. - In the event of a vacancy in the Office of Governor, the office of a member of the Council of State, the Office of the State Controller, or the Executive Director of the State Board of Elections, the person who succeeds to or is appointed or elected to fill the unexpired term shall make designations in a letter to the Director of the Office of State Human Resources, the Speaker of the House of Representatives, and the President of the Senate within 180 days after the oath of office is administered to that person.

(5) Creation, Transfer, or Reorganization. - The Governor or elected department head may designate as exempt a position that is created or transferred to a different department, or is located in a department in which reorganization has occurred, after October 1 of the year in which the oath of office is administered to the Governor. The designation shall be made in a letter to the Director of the Office of State Human Resources, the Speaker of the North Carolina House of Representatives, and the President of the North Carolina Senate within 180 days after the position is created, transferred, or in which reorganization has occurred.

(6) Reversal. - Subsequent to the designation of a position as an exempt position, the status of the position may be reversed and made subject to this Chapter by the Governor or by an elected department head in a letter to the Director of the Office of State Human Resources, the Speaker of the North Carolina House of Representatives, and the President of the North Carolina Senate.

(7) No Designation for Certain Positions. - Except for deputy commissioners appointed pursuant to G.S. 97-79 and as otherwise specifically provided by this section, no employee, by whatever title, whose primary duties include the power to conduct hearings, take evidence, and enter a decision based on findings of fact and conclusions of law based on statutes and legal precedents shall be designated as exempt.

(e) **(Repealed for State employees hired on or after August 21, 2013)** An exempt employee may be transferred, demoted, or separated from his or her position by the department head authorized to designate the exempt position except as follows:

(1) When an employee who has the minimum service requirements described in G.S. 126-1.1 but less than 10 years of cumulative service in subject positions prior to placement in an exempt position is removed from an exempt position, for reasons other than just cause, the employee shall have priority to any position that becomes available for which the employee is qualified, according to rules and regulations regulating and defining priority as promulgated by the State Human Resources Commission.

(2) When an employee who has 10 years or more cumulative service, including the immediately preceding 12 months, in subject positions prior to placement in an exempt position is removed from an exempt position, for reasons other than just cause, the employee shall be reassigned to a subject position within the same department or agency, or if necessary within another agency, at the same grade and salary, including all across-the-board increases since placement in the position designated as exempt, as his or her most recent subject position.

(3) When a career State employee as defined by G.S. 126-1.1 who has more than two but less than 10 years or more of cumulative service in a subject position moves from one exempt position covered by this subsection to another position covered by this subsection without a break in service and that employee is later removed from the last exempt position, for reasons other than just cause, the employee shall have priority to any position that becomes available for which the employee is qualified, according to the rules regulating and defining priority as adopted by the State Human Resources Commission.

(4) When a career State employee as defined by G.S. 126-1.1 who has 10 years or more of cumulative service moves from one exempt position covered by this subsection to another position covered by this subsection without a break in service and that employee is later removed from the last exempt position, for reasons other than just cause, the employee shall be reassigned to a subject position within the same department or agency, or if necessary, within another department or agency. The employee shall be paid at the same grade and salary as the employee's most recent subject position, including all across-the-board legislative increases awarded since the employee's placement in the position that was designated as exempt.

(f) **(Repealed for State employees hired on or after August 21, 2013)** A department head is authorized to use existing budgeted positions within his department in order to carry out the provisions of subsection (e) of this section. If it is necessary to meet the requirements of subsection (e) of this section, a department head may use salary reserve funds authorized for his department.

(g) No employee shall be placed in an exempt position without 10 working days' prior written notification that the position is so designated. A person applying for a position that is designated as exempt shall be notified in writing at the time the person makes the application that the position is designated as exempt.

(h) In case of a dispute as to whether an employee is subject to this Chapter, the dispute shall be resolved as provided in Article 3 of Chapter 150B of the General Statutes.

§ 126-6: Repealed by Session Laws 1991, c. 65, s. 3.

§ 126-6.1: Repealed by Session Laws 1993, c. 397, s. 1.

§ 126-6.2. Reports.

(a) Beginning January 1, 1998, and annually thereafter, the head of each State agency, department, or institution employing State employees subject to the North Carolina Human Resources Act shall report to the Office of State Human Resources on the following:

(1) The costs associated with the defense or settlement of administrative grievances and lawsuits filed by current or former State employees and applicants for State employment, including the costs of settlements, attorneys' fees, litigation expenses, damages, or awards incurred by the respective State agencies, departments, and institutions. The report shall include an explanation of the fiscal impact of these costs upon the operations of the State agency, department, or institution.

(2) Any other human resources functions or actions as may be requested by the Director of the Office of State Human Resources in order for the Office to evaluate the efficiency, productivity, and compliance of a State agency, department, or institution with policies, including, but not limited to, the compensation of State employees, voluntary shared-leave programs, equal employment opportunity plans and programs, and work options programs.

(b) Beginning May 1, 1998, and annually thereafter, the State Human Resources Commission shall report to the Joint Legislative Commission on Governmental Operations on the costs associated with the defense or settlement of lawsuits, and upon request, on the results of any other reports regarding human resources action or functions pursuant to subsection (a) of this section.

(c) Repealed by Session Laws 2013-382, s. 7.5, effective August 21, 2013.

§ 126-6.3. Temporary employment needs of Cabinet and Council of State agencies; use of the Temporary Solutions Program.

(a) **(Including changes effective July 1, 2025)** Use of Temporary Solutions Required for Cabinet Agencies. - Notwithstanding G.S. 126-5 or any other provision of law, all Cabinet agencies that utilize temporary employees to perform work that is not information technology-related shall employ them through the Temporary Solutions Program administered by the Office of State Human Resources (OSHR). Council of State agencies may use the Temporary Solutions Program in the discretion of the agency. The Department of Transportation, Ferry Division, is exempt from the required use of the Temporary Solutions Program when there is an established need for peak season hires or when the work requires a specific skill set beyond the scope of temporary employees.

(a1) Temporary Employment Restrictions. - No temporary employee shall be employed more than 11 consecutive months. A temporary employee shall only be eligible for reinstatement on the job assignment after working 11 consecutive months if the temporary employee is separated for at least 31 consecutive calendar days. Temporary employees shall not be used to permanently expand the workforce beyond authorized levels.

(a2) Prohibition. - The OSHR shall prohibit from acquiring new temporary employees any agency or division, based on individual budget code, having an invoice owed to the OSHR that is over 90 days overdue and a total overdue invoice amount exceeding two hundred thousand

dollars ($200,000). When an agency or division, based on individual budget code, is restricted from acquiring a new temporary employee under this subsection, the agency or division shall not be allowed to acquire new temporary employees through the Temporary Solutions Program until the agency or division has paid all invoices that are over 90 days overdue. The provisions of this subsection do not apply to the North Carolina National Guard.

(a3) Exceptions. - The following exceptions apply:

(1) The Director of the OSHR may create exceptions to the requirements of subsection (a) of this section only when the following conditions are met:

a. The Temporary Solutions Program cannot meet the agency's employment needs for a class of temporary job assignments.

b. Failure to recruit for the class of temporary job assignments will cause severe harm to the agency's ability to provide services to the public.

(2) A temporary employee who is a full-time student, a retired employee, an inmate on a work-release program, an intern, or an extern is exempt from the requirements of subsection (a1) of this section.

(3) The Director of the OSHR may create exceptions to the requirements of subsection (a1) of this section only when all of the following conditions are met:

a. The exception is in the best interests of the State because removing the employee from the job assignment will cause severe harm to the agency's ability to provide vital services to the public.

b. The exception will not result in extending the 11-month maximum length of temporary employment beyond 22 months from the employee's initial hire date.

(4) The Director of the OSHR may create exceptions to the requirements of subsection (a2) of this section only when failure to acquire new temporary employees will cause severe harm to the agency's ability to provide vital services to the public.

All exceptions shall be in the sole discretion of the Director of the OSHR except that the North Carolina National Guard is hereby granted preferred status for exceptions which shall not be denied by the Director. All exceptions shall include a justification of why the exception is necessary. An exception is invalid unless it is submitted in writing and on file in the Temporary Solutions Program Office. To the extent possible, the Director of the OSHR or the Director's designee shall advise agencies of alternative job classification options prior to approval of exceptions to subsection (a1) of this section.

(a4) Cabinet and Council of State Agency Responsibilities. - Cabinet and Council of State agencies are responsible for sending a separation request or notification of the 31-day separation to the OSHR before a temporary employee exceeds 11 consecutive months unless an exception from subsection (a1) of this section applies. Failure to provide timely separation requests may limit an agency from future access to temporary employees.

(a5) OSHR Responsibilities. - The OSHR shall monitor the employment of all temporary employees by Cabinet and Council of State agencies. Temporary employees still employed beyond 11 consecutive months shall be separated from BEACON, or the system which supersedes BEACON, by the OSHR no more than two weeks past the 11-month limit unless an exception from this section applies. The OSHR shall provide written notice to the agency at intervals of 90, 60, and 30 days prior to the temporary employee reaching 11 consecutive months of service.

(a6) Reporting. - Beginning January 1, 2024, and then quarterly thereafter, the OSHR shall report to the Joint Legislative Oversight Committee on General Government and to the Fiscal

Research Division on agency compliance with this section and policies and rules adopted pursuant to it, including:

(1) The number and type of all exceptions made by the Director of the OSHR.
(2) Any agency invoices with due dates greater than 60 days.
(3) Compliance with G.S. 147-86.11(e)(3) through (e)(4).
(4) The number of temporary employees who exceeded 11 months of consecutive employment, and the number of days each employee exceeded 11 months of employment, separated by State agency.

For any temporary employee that is not entered and monitored through the BEACON system, the agency shall record the time worked by each temporary employee in the agency, including the number of hours worked per week, number of months worked, and the amount of time the employee was not employed after 11 consecutive months of service with the agency and report the information monthly to the OSHR. To the extent possible for temporary employees, agencies shall use BEACON, or the State payroll system that supersedes BEACON, for payroll purposes. If it is not feasible for an agency to use BEACON, or the superseding system for payroll purposes, the agency shall report monthly the information required by this section to the OSHR in accordance with guidelines and requirements established by the Director of Temporary Solutions.

(b) Repealed by Session Laws 2023-134, s. 29A.1A(b), 29A.2(a), effective October 3, 2023.

(c) Definitions. - For purposes of this section, the following definitions shall apply:

(1) Cabinet agency. - A unit of the executive branch of State government, such as a department, an institution, a division, a commission, a board, or a council that is under the control of the Governor. The term does not include an agency that is under the control of an official who is a member of the Council of State.
(2) Council of State agency. - An agency that is under the control of an official who is a member of the Council of State.
(3) Extern. - A student who, regardless of the number of credit hours enrolled, is employed as part of a written agreement between the State and an academic institution through which the student is paid and earns course credit.
(4) Full-time student. - An undergraduate student taking at least 12 credit hours or a graduate student taking at least nine credit hours.
(5) Intern. - A student who, regardless of the number of credit hours enrolled, works to gain occupational experience for a period of at least one academic semester.
(6) Retired employee. - An individual drawing a retirement income or Social Security benefits and who has signed a statement that the individual is not available for, nor seeking, permanent employment.
(7) Temporary employee. - A State employee who is employed in a temporary appointment for a limited term, including a State employee hired from the OSHR Temporary Solutions Program, directly hired by an agency, hired by an agency from a private staffing firm, or hired by any other method used to fill a workforce need for a limited period of time. The term does not include a career State employee as defined by G.S. 126-1.1.

§ 126-6.4. Temp-to-perm hiring. (Effective July 1, 2025)

(a) The Council of State, the executive branch agencies, the Community Colleges System Office, and The University of North Carolina may directly hire temporary employees into vacant positions if all of the following conditions are met:

(1) The permanent position to be filled must be vacant.

(2) The temporary employee must have worked for a minimum of six months in a substantially equivalent role with satisfactory performance. This six-month period excludes any mandatory breaks required under G.S. 126-6.3.
(3) The temporary employee must meet the minimum education and experience requirements established for the position classification, and the employee's salary must be set within the approved classification range.
(4) The temporary employee must have been originally hired through the North Carolina Office of State Human Resources Temporary Solutions Program or directly hired by a State agency as a temporary State employee.

The Director of the Office of State Human Resources may waive the requirements specified in subdivision (3) of this subsection, including both the minimum education and experience requirements and the requirement that salary be set within the classification range.

(b) Unless otherwise provided, a hiring under this section is exempt from the provisions of this Chapter, including any procedural or substantive requirements, including publicly posting the position, requiring an application, holding an interview or new reference checks, selecting the applicants from the pool of the most qualified persons, or following the priorities for certain types of applicants under State law. This exemption for the hiring process does not affect whether the position is subject to this Chapter once the employee is hired.

(c) A hiring under this section is not exempt from G.S. 126-14, 126-14.1, or 126-14.5 or from Article 6 or 7 of this Chapter.

Article 2.
Salaries, Promotions, and Leave of State Employees.

§ 126-7: Repealed by Session Law 2013-382, which enacted as G.S. 126-7.3 text matching former G.S. 126-7(b).

§ 126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force; Work First hiring; reorganization through reduction.

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted in a place readily accessible to employees within at least the following:
(1) The personnel office of the agency, department, or institution having the vacancy; and
(2) The particular work unit of the agency, department, or institution having the vacancy.

If the decision is made, initially or at any time while the vacancy remains open, to receive applicants from outside the recruiting agency, department, or institution, the vacancy shall also be listed on a website maintained by the Office of State Human Resources for the purpose of informing current State employees and the public of such vacancy. The State agency, department, or institution may not receive approval from the Office of State Human Resources to fill a job vacancy if the agency, department, or institution cannot prove to the satisfaction of the Office of State Human Resources that it complied with these posting requirements. The agency, department, or institution which hires any person in violation of these posting requirements shall pay such person when employment is discontinued as a result of such violation for the work performed during the period of time between his initial employment and separation.

(b) No loss of funds shall be required as a precondition for a reduction in force. State employees to be affected by a reduction in force shall be notified of the reduction in force as soon as practicable, and in any event, no less than 30 days prior to the effective date of the reduction in force.

(c) The State Human Resources Commission shall adopt rules governing the priority and salary rights of State employees separated from State employment as the result of reductions in

force who accept a position in State government to provide that the employee shall be paid a salary no higher than the maximum of the salary grade of the position accepted.

(d) Subsection (a) of this section does not apply to vacancies which must be filled immediately to prevent work stoppage or the protection of the public health, safety, or security.

(e) If a State employee subject to this section:

(1) Applies for another position of State employment that would constitute a promotion; and

(2) Has substantially equal qualifications as an applicant who is not a State employee;

then the State employee shall receive priority consideration over the applicant who is not a State employee. This priority consideration shall not apply when the only applicants considered for the vacancy are current State employees.

(f) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force:

(1) Applies for another position of State employment equal to or lower in salary grade than the position held by the employee at the time of notification or separation; and

(2) Has substantially equal qualifications as any other applicant;

then within all State agencies, the State employee who has been notified of or separated due to a reduction in force shall receive priority consideration over all other applicants. This priority shall remain in effect for a period of 12 months from the date the employee receives notification of separation by reduction in force. State employees separated due to reduction in force shall receive higher priority than other applicants with employment or reemployment priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be considered as equal.

(f1) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force accepts or rejects an offer for a position of State employment that is equal to or higher than the position held or equal to or higher than the salary earned by the employee at the time of separation or notification, then the employee's acceptance or rejection of that offer shall satisfy and terminate the one-time, 12-month priority granted by subsection (f) of this section.

(f2) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force and who applies for a position equal to or higher than the position held by the employee at the time of separation or notification, but declines an interview for the position for which the employee applied, then the employee's rejection of an offer of the interview for the position shall satisfy and terminate the one-time, 12-month priority granted by subsection (f) of this section. The State Human Resources Commission shall adopt a policy to carry out this subsection.

(g) "Qualifications" within the meaning of subsection (e) of this section shall consist of:

(1) Training or education;

(2) Years of experience; and

(3) Other skills, knowledge, and abilities that bear a reasonable functional relationship to the abilities and skills required in the job vacancy applied for.

(h) Each State agency, department, and institution is encouraged to hire into State government employment qualified applicants who are current or former Work First Program participants.

(i) Each State agency, department, institution, university, community college, and local education agency shall verify, in accordance with the Basic Pilot Program administered by the United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each individual's legal status or authorization to work in the United States after hiring the individual as an employee to work in the United States.

(j) Any department or office listed in G.S. 126-5(d)(1) or (2) and The University of North Carolina and its constituent institutions may reorganize and restructure its positions through a voluntary separation process, in accordance with a policy approved by the State Human Resources Commission and subject to funding and approval by the Office of State Budget and Management.

§ 126-7.2: Repealed by Session Laws 2013-382, s. 6.2, effective August 21, 2013, and applicable to grievances filed on or after that date.

§ 126-7.3. Annual compensation surveys.

To guide the Governor and the General Assembly in making decisions regarding the compensation of State employees, the Office of State Human Resources shall conduct annual compensation surveys. The Commission shall present the results of the compensation survey to the Appropriations Committees of the House of Representatives and the Senate no later than two weeks after the convening of the legislature in odd-numbered years and May 1st of even-numbered years.

§ 126-8. Minimum leave granted State employees.

The amount of vacation leave granted to each full-time State employee subject to the provisions of this Chapter shall be determined in accordance with a graduated scale established by the State Human Resources Commission which shall allow the equivalent rate of not less than two weeks' vacation per calendar year, prorated monthly, cumulative to at least 30 days. On December 31 of each year, any State employee who has vacation leave in excess of the allowed accumulation shall have that leave converted to sick leave. Sick leave allowed as needed to such State employees shall be at a rate not less than 10 days for each calendar year, cumulative from year to year. Notwithstanding any other provisions of this section, no full-time State employee subject to the provisions of Chapter 126, as the same appears in the Cumulative Supplement to Volume 3B of the General Statutes, on May 23, 1973, shall be allowed less than the equivalent of three weeks' vacation per calendar year, cumulative to at least 30 days.

§ 126-8.1. Paid leave for certain athletic competition.

(a) As used in this section, the term "United States team" includes any group leader, coach, official, trainer, or athlete who is a member of an official United States delegation in Pan American, Olympic or international athletic competition.

(b) Any State employee or public school employee paid by State funds who has been chosen to be a member of a United States team for Pan American, Olympic or international competition shall be granted paid leave, in addition to annual and sick leave that person is otherwise entitled to, for the sole purpose of training for and competing in that competition. The paid leave shall be for the period of the official training camp and competition or 30 days a year, whichever is less.

(c) The Office of State Human Resources may adopt such rules and regulations as are reasonable and necessary to carry out the provisions of this section, with the approval of the Governor.

§ 126-8.2. Replacement of law-enforcement officer on final sick leave.

When a sworn law-enforcement officer employed by the State is on sick leave, and the head of the department employing the officer has obtained a certification from a physician that the officer will not recover and return to duty, a replacement for the officer may be hired even though the resulting number of employees in the department exceeds the number for which an appropriation was made in the Current Operations Appropriations Act, if sufficient funds are

available from appropriations to the department for salaries to pay the salary of both the new employee and the officer on sick leave until the officer's accumulated leave is exhausted or his employment is terminated.

§ 126-8.3. Voluntary shared leave.

(a) The State Human Resources Commission, in cooperation with the State Board of Community Colleges and the State Board of Education, shall adopt rules and policies to allow any employee at a State agency to share leave voluntarily with an immediate family member who is an employee of a State agency, community college, or public school; and with a coworker's immediate family member who is an employee of a State agency, community college, or public school. For the purposes of this section, the term "immediate family member" means a spouse, parent, child, brother, sister, grandparent, or grandchild. The term includes the step, half, and in-law relationships. The term "coworker" means that the employee donating the leave is employed by the same agency, department, institution, university, local school administrative unit, or community college as the employee whose immediate family member is receiving the leave.

(b) The State Human Resources Commission shall adopt rules and policies for the voluntary shared leave program to allow an employee at a State agency to donate sick leave to a nonfamily member employee of a State agency. A donor of sick leave to a nonfamily member recipient shall not donate more than five days of sick leave per year to any one nonfamily member recipient. The combined total of sick leave donated to a recipient from nonfamily member donors shall not exceed 20 days per year. Donated sick leave shall not be used for retirement purposes, and employees who donate sick leave shall be notified in writing of the State retirement credit consequences of donating sick leave.

(c) The State Human Resources Commission, the Department of Public Instruction, and the Community Colleges System Office and all State agencies, departments, and institutions shall annually report to the Office of State Human Resources on the voluntary shared leave program. For the prior fiscal year, the report shall include the total number of days or hours of vacation leave and sick leave donated and used by voluntary shared leave recipients and the total cost of the vacation leave and sick leave donated and used.

§ 126-8.4. (See note on condition precedent) No sick leave taken for absences by State employees resulting from adverse reactions to vaccination.

(a) Absence from work by an employee shall not count against the employee's sick leave, and the employee's salary shall continue during the absence when the employee receives in employment vaccination against smallpox incident to the Administration of Smallpox Countermeasures by Health Professionals, section 304 of the Homeland Security Act, Pub. L. No. 107-296 (Nov. 25, 2002) (to be codified at 42 U.S.C. § 233(p)) and the absence is due to the employee having an adverse medical reaction resulting from the vaccination. The provisions of this subsection shall apply for a maximum of 480 employment hours. The employing department, agency, institution, or entity may require the employee to obtain certification from a health care provider justifying the need for leave after the first 24 hours of leave taken pursuant to this subsection.

(b) Absence from work by an employee shall not count against the employee's sick leave, and the employee's salary shall continue during the absence when the employee is permanently or temporarily living in the home of a person who receives in employment vaccination against smallpox incident to the Administration of Smallpox Countermeasures by Health Professionals, section 304 of the Homeland Security Act, Pub. L. No. 107-296 (Nov. 25, 2002) (to be codified at 42 U.S.C. § 233(p)) and the absence is due to (i) the employee having an adverse medical reaction resulting from exposure to the vaccinated person, or (ii) the need to care for the vaccinated person who has an adverse medical reaction resulting from the vaccination. The

provisions of this subsection shall apply for a maximum of 480 employment hours. The employing department, agency, institution, or entity may require the employee to obtain certification from a health care provider justifying the need for leave after the first 24 hours of leave taken pursuant to this subsection.

(c) Notwithstanding any other provisions of this Chapter, this section applies to all State employees.

[Note: See Sections 7 and 9 of Session Law 2003-169 for additional uncodified session law text that helps interpret section 126-8.4.]

§ 126-8.5. Discontinued service retirement allowance and severance wages for certain State employees.

(a) When the Director of the Budget determines that the closing of a State institution or a reduction in force will accomplish economies in the State Budget, the Director of the Budget shall pay either a discontinued service retirement allowance or severance wages to any affected State employee, provided reemployment is not available. As used in this section, "economies in the State Budget" means economies resulting from elimination of a job and its responsibilities or from a lack of funds to support the job. In determining whether to pay a discontinued service retirement allowance or severance wages, the Director of the Budget shall consider the recommendation of the department head involved and any recommendation of the Director of the Office of State Human Resources. Severance wages shall not be paid to an employee who chooses a discontinued service retirement. Severance wages shall not be subject to employer or employee retirement contributions. Severance wages shall be paid according to the policies adopted by the State Human Resources Commission.

Notwithstanding any other provisions of the State's retirement laws, any employee of the State who is a member of the Teachers' and State Employees' Retirement System or the Law-Enforcement Officers' Retirement System and whose job is involuntarily terminated as a result of economies in the State Budget may be entitled to a discontinued service retirement allowance, subject to the approval of the employing agency and the availability of agency funds. An unreduced discontinued service retirement allowance, not otherwise allowed, may be approved for employees with 20 or more years of creditable retirement service who are at least 55 years of age; or a discontinued service retirement allowance, not otherwise allowed, may be approved for employees with 20 or more years of creditable retirement service who are at least 50 years of age, reduced by one-fourth of one percent (1/4 of 1%) for each month that retirement precedes the employee's fifty-fifth birthday. In cases where a discontinued service retirement allowance is approved, the employing agency shall make a lump sum payment to the Administrator of the State Retirement Systems equal to the actuarial present value of the additional liabilities imposed upon the System, to be determined by the System's consulting actuary, as a result of the discontinued service retirement, plus an administrative fee to be determined by the Administrator, plus an amount to be deposited in the Retiree Health Benefit Fund. The amount to be deposited in the Retiree Health Benefit Fund shall be calculated by multiplying the number of years between the employee's date of discontinued service retirement and the employee's earliest unreduced retirement date under G.S. 135-5 by the most recent employer contribution rate to the Retiree Health Benefit Fund and then, if the employee is or would be eligible for retiree medical coverage under the State Health Plan for Teachers and State Employees, multiplying that figure by the salary used in the discontinued salary retirement calculation.

The salary used to determine severance wages under this section is the last annual salary except that if the employee was promoted within the previous 12 months, the last annual salary is that annual salary prior to the promotion. If the annual salary prior to the promotion is used, it shall be adjusted to account for any across-the-board legislative salary increases. Excluded from any calculation are any benefits such as, but not limited to, overtime pay, shift pay, holiday

premium, or longevity pay. The salary used to determine the discontinued retirement allowance under this section is the same as the average final compensation under G.S. 135-1(5).

(b) Any employee separated from State government and paid severance wages under this section shall not be employed under a contractual arrangement by any State agency, other than the constituent institutions of The University of North Carolina and the constituent institutions of the North Carolina Community College System, until 12 months have elapsed since the separation. This subsection does not affect any reduction in force rights that the employee may have.

§ 126-8.6. Paid parental leave.

(a) Definitions. - The following definitions apply in this section:

(1) Child. - A newborn biological child or a newly placed adopted, foster, or otherwise legally placed child under the age of 18 whose parent is a State employee eligible for leave under subsection (b) of this section.

(2) Parent. - Includes a parent by adoption, foster care, or another legal placement.

(3) Qualifying event. - When a State employee becomes a parent to a child.

(b) Paid Parental Leave. - The State Human Resources Commission shall adopt rules and policies to provide that a permanent, probationary, or time-limited full-time State employee may take the following paid parental leave:

(1) Up to eight weeks of paid leave after giving birth to a child; or

(2) Up to four weeks of paid leave after any other qualifying event.

(c) Part-Time Employees. - The State Human Resources Commission shall adopt rules and policies to provide that a permanent, probationary, or time-limited part-time State employee may take a prorated amount of paid leave after giving birth, not to exceed eight weeks, or paid leave after any other qualifying event, not to exceed four weeks, in addition to any other leave available to the employee.

(c1) The State Human Resources Commission shall adopt rules and policies providing for a period of minimum service before an employee becomes eligible for parental leave, the maximum number of uses of paid parental leave within a 12-month period, and how much leave is to be provided in the event of miscarriage or the death of a child during birth. The rules shall provide that the period of minimum service may be met by aggregating employment at any of the following:

(1) State agencies, departments, and institutions, including The University of North Carolina.

(2) Public school units that provide paid parental leave in accordance with this section.

(3) Community colleges located in this State.

(d) Requirements. - The paid parental leave authorized by this section:

(1) Is available without exhaustion of the employee's sick and vacation leave and is awarded in addition to shared leave under G.S. 126-8.3, or other leave authorized by State or federal law.

(2) Has no cash value upon termination from employment.

(3) May not be used for calculating an employee's retirement benefits.

(e) The provisions of this section shall apply to employees of State agencies, departments, and institutions, including The University of North Carolina; to public school employees; and to community college employees. The appropriate governing board, officer, or entity shall adopt rules and policies to award paid parental leave to employees that are substantially equivalent to those adopted by the State Human Resources Commission.

§ 126-8.7. Reducing barriers to State employment. (Effective July 1, 2025)

(a) The State Human Resources Commission shall do all of the following:

(1) Regularly assess the educational, experiential, and training requirements necessary for each position within each State agency, department, and institution.

(2) Determine when practical experience and training, such as military service, an apprenticeship, or a trade school education, rather than a four-year college degree, is the appropriate qualification for a position.

(3) Identify jobs for which the educational, experiential, and training requirements could be reduced from their present level.

(4) Remove language for a four-year college degree in position descriptions, to the extent practicable, when they are not necessary for the position.

(b) Beginning October 1, 2025, and then annually thereafter, the State Human Resources Commission shall report to the Joint Legislative Oversight Committee on General Government on its efforts to reduce barriers to State employment as required by this section.

Article 3.
Local Discretion as to Local Government Employees.

§ 126-9. County or municipal employees may be made subject to rules adopted by local governing body.

(a) When a board of county commissioners adopts rules and regulations governing annual leave, sick leave, hours of work, holidays, and the administration of the pay plan for county employees generally and the county rules and regulations are filed with the Director of the Office of State Human Resources, the county rules will supersede the rules adopted by the State Human Resources Commission as to the county employees otherwise subject to the provisions of this Chapter.

(b) No county employees otherwise subject to the provisions of this Chapter may be paid a salary less than the minimum nor more than the maximum of the applicable salary range adopted in accordance with this Chapter without approval of the State Human Resources Commission. Provided, however, that subject to the approval of the State Human Resources Commission, a board of county commissioners may adjust the salary ranges applicable to employees who are otherwise subject to the provisions of this Chapter, in order to cause the level of pay to conform to local financial ability and fiscal policy. The State Human Resources Commission shall adopt policies and regulations to ensure that significant relationships within the schedule of salary ranges are maintained.

(c) When two or more counties are combined into a district for the performance of an activity whose employees are subject to the provisions of this Chapter, the boards of county commissioners of the counties may jointly exercise the authority hereinabove granted in subsections (a) and (b) of this section.

(d) When a municipality is performing an activity by or through employees which are subject to the provisions of this Chapter, the governing body of the municipality may exercise the authority hereinabove granted in subsections (a) and (b) of this section.

§ 126-10. Personnel services to local governmental units.

(a) The State Human Resources Commission may make the services and facilities of the Office of State Human Resources available upon request to the political subdivisions of the State. The State Human Resources Commission may establish reasonable charges for the service and facilities so provided, and all funds so derived shall be deposited in the State treasury to the credit of the general fund.

(b) Notwithstanding G.S. 126-22, 126-24, 153A-98, and 160A-168, when a local entity indicates that it will permanently appoint a person who does not meet the class specification's

minimum qualifications for a position subject to the State Human Resources Act, except for trainee and work-against appointments, the Office of State Human Resources may contact any relevant members of the board supervising that local entity, the county manager and commissioners, and the Department of Health and Human Services. The message may identify the particular qualifications that the proposed appointee would need to meet to have the minimum qualifications of the class specification.

(c) Notwithstanding G.S. 126-22, 126-24, 153A-98, and 160A-168, when a local entity requests that the Office of State Human Resources make the final determination as to whether the employee or applicant meets the minimum qualifications, the Office of State Human Resources may share the relevant portions of the personnel file of a specific employee or applicant with the Deputy Director of the Public Health or Social Services Division of the Department of Health and Human Services, or similar State departmental staff, to assist in determining qualification status.

§ 126-11. Local personnel system may be established; approval and monitoring; rules and regulations.

(a) The board of county commissioners of any county may establish and maintain a personnel system for all employees of the county subject to its jurisdiction, which system and any substantial changes to the system, shall be approved by the State Human Resources Commission as substantially equivalent to the standards established under this Chapter for employees of local departments of social services, local health departments, and area mental health programs, local emergency management programs. If approved by the State Human Resources Commission, the employees covered by the county system shall be exempt from all provisions of this Chapter except Article 6.

(a1) With approval of each of the boards of commissioners of the county or counties which comprise the area mental health authority, the area mental health authority may establish and maintain a personnel system for all employees of the area mental health authority, which system and any substantial changes to the system, shall be equivalent to the standards established under this Chapter for employees of area mental health authorities. If approved by the State Human Resources Commission, the employees covered by the area mental health authority system shall be exempt from all provisions of this Chapter except Article 6.

(b) A board of county commissioners may petition the State Human Resources Commission to determine whether any portion of its total personnel system meets the requirements in (a) above. Upon such determination, county employees shall be exempt from the provisions of this Chapter relating to the approved portions of the county personnel system.

(b1) The board of an area mental health authority, with the approval of each of the boards of commissioners of the county or counties which comprise the area mental health authority, may petition the State Human Resources Commission to determine whether any portion of its total personnel system meets the requirements in subsection (a1) above. Upon such determination, area mental health authority employees shall be exempt from the provisions of this Chapter relating to the approved portions of the area mental health authority personnel system except as provided in G.S. 122C-121.

(c) The Office of State Human Resources shall monitor at least annually county or area mental health authority personnel systems approved under this section in order to ensure compliance.

(d) In order to define "substantially equivalent," the State Human Resources Commission is authorized to promulgate rules and regulations to implement the federal merit system standards and these regulations at a minimum shall include: recruitment and selection of employees; position classification; pay administration; training; employee relations; equal employment opportunity; and records and reports.

§ 126-11.1. Veterans and National Guard preference for local government. (Effective July 1, 2025)

For positions subject to this Chapter, local entities may provide an employment preference to eligible veterans and eligible members of the National Guard, as those terms are defined in G.S. 126-81.

§ 126-11.2. Sign-on and retention bonuses for local government. (Effective July 1, 2025)

Local entities are authorized to offer sign-on and retention bonuses to employees subject to this Chapter. Sign-on and retention bonuses provided by local entities to employees subject to this Chapter shall be consistent with the Sign-On and Retention Bonus Policy for State agency employees.

Article 4.
Competitive Service.

§ 126-12. Governor and Council of State to determine competitive service.

The Governor, with the approval of the Council of State, shall from time to time determine for which, if any of the positions subject to the provisions of Article 1 of this Chapter, appointments and promotions shall be based on a competitive system of selection.

Article 5.
Political Activity of Employees.

§ 126-13. Appropriate political activity of State employees defined.

(a) As an individual, each State employee retains all the rights and obligations of citizenship provided in the Constitution and laws of the State of North Carolina and the Constitution and laws of the United States of America; however, no State employee subject to the North Carolina Human Resources Act or temporary State employee shall:

(1) Take any active part in managing a campaign, or campaign for political office or otherwise engage in political activity while on duty or within any period of time during which he is expected to perform services for which he receives compensation from the State;

(2) Otherwise use the authority of his position, or utilize State funds, supplies or vehicles to secure support for or oppose any candidate, party, or issue in an election involving candidates for office or party nominations, or affect the results thereof.

(b) No head of any State department, agency, or institution or other State employee exercising supervisory authority shall make, issue, or enforce any rule or policy the effect of which is to interfere with the right of any State employee as an individual to engage in political activity while not on duty or at times during which he is not performing services for which he receives compensation from the State. A State employee who is or may be expected to perform his duties on a twenty-four hour per day basis shall not be prevented from engaging in political activity except during regularly scheduled working hours or at other times when he is actually performing the duties of his office. The willful violation of this subdivision shall be a Class 1 misdemeanor.

§ 126-14. Promise or threat to obtain political contribution or support.

(a) It is unlawful for a State employee or a person appointed to State office, other than elective office or office on a board, commission, committee, or council whose function is advisory only, whether or not subject to the North Carolina Human Resources Act, to coerce:

(1) a State employee subject to the North Carolina Human Resources Act,

(2) a probationary State employee,
(3) a temporary State employee, or
(4) an applicant for a position subject to the North Carolina Human Resources Act

to support or contribute to a political candidate, political committee as defined in G.S. 163-278.6, or political party or to change the party designation of the individual's voter registration by threatening that change in employment status or discipline or preferential personnel treatment will occur with regard to an individual listed in subdivisions (1) through (4) of this subsection.

(a1) It is unlawful for an individual as defined in G.S. 138A-3(70)a. to coerce a person as described in G.S. 138A-32(d)(1), (2), or (3) to support or contribute to a political candidate, a political committee as defined in G.S. 163-278.6, or a political party by threatening discipline or promising preferential treatment with regard to that person's business with the individual's State office or that person's activities regulated by the individual's State office.

(b) Any person violating this section shall be guilty of a Class 2 misdemeanor.

(c) A State employee subject to the North Carolina Human Resources Act, probationary State employee, or temporary State employee who without probable cause falsely accuses a State employee or a person appointed to State office of violating this section shall be subject to discipline or change in employment status in accordance with the provisions of G.S. 126-35, 126-37, and 126-38 and may, as otherwise provided by law, be subject to criminal penalties for perjury or civil liability for libel, slander, or malicious prosecution.

§ 126-14.1. Threat to obtain political contribution or support.

(a) It is unlawful for any person to coerce:
(1) a State employee subject to the North Carolina Human Resources Act,
(2) a probationary State employee,
(3) a temporary State employee, or
(4) an applicant for a position subject to the North Carolina Human Resources Act

to support or contribute to a political candidate, political committee as defined in G.S. 163-278.6, or political party or to change the party designation of his voter registration by explicitly threatening that change in employment status or discipline or preferential personnel treatment will occur with regard to any person listed in subdivisions (1) through (3) of this subsection.

(b) Any person violating this section shall be guilty of a Class 2 misdemeanor.

(c) A State employee subject to the North Carolina Human Resources Act, probationary State employee, or temporary State employee, who without probable cause falsely accuses a person of violating this section shall be subject to discipline or change in employment status in accordance with the provisions of G.S. 126-34.02 and may, as otherwise provided by law, be subject to criminal penalties for perjury or civil liability for libel, slander, or malicious prosecution.

§ 126-14.2. Political hirings limited.

(a) It is the policy of this State that State departments, agencies, and institutions select from the pool of the most qualified persons for State government employment based upon job-related qualifications of applicants for employment using fair and valid selection criteria.

(b) All State departments, agencies, and institutions shall select from the pool of the most qualified persons for State government employment without regard to political affiliation or political influence. For the purposes of this section, "qualified persons" shall mean each of the State employees or applicants for initial State employment who:
(1) Have timely applied for a position in State government;
(2) Have the essential qualifications for that position; and

(3) Are determined to be substantially more qualified as compared to other applicants for the position, after applying fair and valid job selection criteria, in accordance with G.S. 126-5(e), G.S. 126-7.1, Articles 6 and 13 of this Chapter, and State personnel policies approved by the State Human Resources Commission.

(Effective July 1, 2025 and applying to all positions posted or reposted on or after that date) For the purposes of this section, "essential qualifications" means the minimum education and experience set forth in the class specification of the vacancy being filled. Any additional qualifications, knowledge, skills, and abilities listed in the specific vacancy announcement shall be interpreted as management preferences rather than as mandatory minimum qualifications that must be met.

(b1) **(Effective July 1, 2025 and applying to all positions posted or reposted on or after that date)** It is the policy of this State that State departments, agencies, and institutions should simplify their job postings to make it easy for potential applicants to read the postings, understand the essential qualifications and management preferences, and then apply. Approval of the agency head or designee is required for any vacancy announcement that adds more than five knowledge, skills, and abilities to the class specification of the vacancy being filled.

(c) It is a violation of this section if:

(1) The complaining State employee or applicant for initial State employment timely applied for the State government position in question;

(2) The complaining State employee or applicant for initial State employment was not hired into the position;

(3) The complaining State employee or applicant for initial State employment was among the most qualified persons applying for the position as defined in this Chapter;

(4) The successful applicant for the position was not among the most qualified persons applying for the position; and

(5) The hiring decision was based upon political affiliation or political influence.

(d) The provisions of this section shall not apply to positions exempt from this Chapter, except that this section does apply to exempt managerial positions as defined by G.S. 126-5(b)(2).

§ 126-14.3. Open and fair competition.

The State Human Resources Commission shall adopt rules or policies to:

(1) Assure recruitment, selection, and hiring procedures that encourage open and fair competition for positions in State government employment and that encourage the hiring of a diverse State government workforce.

(2) Assure the proper and thorough advertisement of job openings in State government employment and lengthen, as appropriate, the period for submitting applications for State government employment.

(3) **(Including changes effective July 1, 2025)** Require that a closing date shall be posted for each job opening, unless the employing agency, department, office, board, commission, system, or institution has approved an exception for critical classifications.

Note: Section 4.(b) of Session Law 2025-34 provides the following text to help interpret section 126-14.3(3).
"Unless the employing agency, department, office, board, commission, system, or institution determines otherwise, exceptions for critical classifications remain in effect if they were previously granted under

G.S. 126-14.3(3) by the State Human Resources Commission or the Office of State Human Resources."

(4) Require that timely written notice shall be provided to each unsuccessful applicant for State employment who is in the pool of the most qualified applicants for a position, as defined by G.S. 126-14.2(b).

(5) Assure that State departments, agencies, and institutions follow similar selection processes when hiring State employees in accordance with this Chapter.

(6) Assure that State supervisory and management personnel, and personnel professionals, receive adequate training and continuing education to carry out the State's policy of hiring from among the most qualified persons.

(7) Establish a monitoring system to measure the effectiveness of State agency personnel procedures to promote fairness and reduce adverse impact on all demographic groups in the State government workforce.

(8) Otherwise implement the State's policy of nonpolitical hiring practices in accordance with this Chapter.

§ 126-14.3A. Increasing efficiency of State job application process. (Effective July 1, 2025)

(a) The Office of State Human Resources (OSHR) shall streamline the job application process for State positions by enabling applicants to upload resumes or website profiles. An electronic tool shall be utilized to import information from these documents into the State job application format, making the process more efficient while still collecting information necessary for merit-based hiring under G.S. 126-14.2 and G.S. 126-14.3. An applicant remains responsible for ensuring that all information required for initial screening appears correctly in the completed State job application after importing the applicant's resume or profile.

(b) For job applications requiring references, supplemental questions, or other information not typically found on resumes and not needed for initial screening, State agencies may collect this information later in the selection process, including during job interviews.

(c) Beginning in 2026 and then annually thereafter, the OSHR shall present the State application form and demonstrate the import process to the State Human Resources Commission to receive the Commission's informal feedback.

Note: Section 2.(e) of Session Law 2025-34 provides the following text on implementation of section 126-14.3A.
"The Office of State Human Resources shall modify the State job application process in accordance with this section by no later than November 1, 2025."

§ 126-14.3B. Hiring candidate from most qualified pool in previous posting. (Effective July 1, 2025)

(a) In addition to the authority granted by G.S. 126-3.1(b)(1), the Council of State, the executive branch agencies, the Community Colleges System Office, and The University of North Carolina are authorized to directly hire, without posting, into a vacant position so long as all of the following conditions are met:

(1) That employer previously posted for recruitment, in accordance with G.S. 126-7.1 and G.S. 126-14.3, a position that has the same or comparable classification as the position that is now vacant.

(2) The person who is now being hired applied for that previous vacancy.

(3) The employer selected the person to be within the pool of the most qualified persons for the previous vacancy, in accordance with G.S. 126-14.2, but did not hire that person.

(4) For the position that is now vacant, the person who is now being hired meets the minimum education and experience requirements for the classification and has a salary set within the vacant position's classification range.

(b) Except as otherwise provided in this section, the hiring shall be exempt from this Chapter, including any procedural or substantive requirements, such as publicly posting the position, requiring a new application, holding a new interview or new reference checks, and following the priorities for certain types of applicants under State law. The hiring shall not be exempt from G.S. 126-14, 126-14.1, 126-14.5, and Articles 6 and 7 of this Chapter. The exemption from this Chapter for the hiring process shall not affect whether the position is subject to this Chapter once the employee is hired.

§ 126-14.4: Repealed by Session Laws 2013-382, s. 7.6, effective August 21, 2013.

§ 126-14.5. Compelled speech prohibited.

(a) Each State agency, department, and institution shall comply with the following:

(1) Refrain from soliciting or requiring an applicant for employment to endorse or opine about beliefs, affiliations, ideals, or principles regarding matters of contemporary political debate or social action as a condition of employment.

(2) Refrain from soliciting or requiring an applicant for employment to describe the applicant's actions in support of, or in opposition to, the beliefs, affiliations, ideals, or principles identified in subdivision (1) of this subsection.

(b) Nothing in subsection (a) shall infringe on the ability of an applicant for employment to voluntarily opine or speak regarding any matter, including matters of contemporary political debate or social action.

(c) No application for employment shall inquire into matters prohibited as compelled speech under this section.

(d) Nothing in this section shall be construed to:

(1) Prohibit discussion with or questions to an applicant regarding the content of the applicant's resume, curriculum vitae, or other written work or oral remarks.

(2) Affect the ability of the prospective employing agency from complying with applicable federal or State law, including employment oaths, appointment affidavits, and licensure and certification requirements.

(3) Apply to speech protected by the First Amendment of the U.S. Constitution.

§ 126-14.6. Ensuring dignity and nondiscrimination in State government workplaces.

(a) The General Assembly finds that Article I, Section 1 of the Constitution of this State recognizes the equality and rights of all persons. Therefore, it is the intent of the General Assembly that State employees respect the dignity of others, acknowledge the right of others to express differing opinions, and the right to freedom of speech and association and that State agencies employ training methods and procedures to further that intent.

(b) For the purposes of this section, "promote" shall mean compelling State employees to affirm or profess belief in the concepts described in subsection (c) of this section.

(c) The concepts listed in this subsection shall not be promoted in State government workplaces or included as part of any State employee training program:

(1) One race or sex is inherently superior to another race or sex.

(2) An individual, solely by virtue of his or her race or sex, is inherently racist, sexist, or oppressive.

(3) An individual should be discriminated against or receive adverse treatment solely or partly because of his or her race or sex.

(4) An individual's moral character is necessarily determined by his or her race or sex.
(5) An individual, solely by virtue of his or her race or sex, bears responsibility for actions committed in the past by other members of the same race or sex.
(6) Any individual, solely by virtue of his or her race or sex, should feel discomfort, guilt, anguish, or any other form of psychological distress.
(7) A meritocracy is inherently racist or sexist.
(8) The United States was created by members of a particular race or sex for the purpose of oppressing members of another race or sex.
(9) The United States government should be violently overthrown.
(10) Particular character traits, values, moral or ethical codes, privileges, or beliefs should be ascribed to a race or sex or to an individual because of the individual's race or sex.
(11) The rule of law does not exist, but instead is a series of power relationships and struggles among racial or other groups.
(12) All Americans are not created equal and are not endowed by their Creator with certain unalienable rights, including life, liberty, and the pursuit of happiness.
(13) Governments should deny to any person within the government's jurisdiction the equal protection of the law.

(d) Nothing in this section prevents a private contractor who provides training to State employees from responding to questions that are raised by participants in the training and which pertain to the concepts in subsection (c) of this section. However, the private contractor must make it clear that the State government employer does not endorse those concepts.

(e) This section does not apply to speech protected by the First Amendment of the U.S. Constitution.

§ 126-15. Disciplinary action for violation of Article.

Failure to comply with this Article is grounds for disciplinary action which, in case of deliberate or repeated violation, may include dismissal or removal from office.

§ 126-15.1: Repealed by Session Laws 2013-382, s. 3.2, effective August 21, 2013.

Article 6.

Equal Employment and Compensation Opportunity; Assisting in Obtaining State Employment.

§ 126-16. Equal opportunity for employment and compensation by State departments and agencies and local political subdivisions.

All State agencies, departments, and institutions and all local political subdivisions of North Carolina shall give equal opportunity for employment and compensation, without regard to race, religion, color, national origin, sex, age, disability, or genetic information to all persons otherwise qualified.

§ 126-16.1. Equal employment opportunity training.

Each State agency, department, and institution and The University of North Carolina shall enroll each newly appointed supervisor or manager within one year of appointment in the Equal Employment Opportunity training offered or approved by the Office of State Human Resources.

§ 126-17. Retaliation by State departments and agencies and local political subdivisions.

No State department, agency, or local political subdivision of North Carolina shall retaliate against an employee for protesting alleged violations of G.S. 126-16.

§ 126-18. Compensation for assisting person in obtaining State employment barred; exception.

It shall be unlawful for any person, firm or corporation to collect, accept or receive any compensation, consideration or thing of value for obtaining on behalf of any other person, or aiding or assisting any other person in obtaining employment with the State of North Carolina; provided, however, any person, firm, or corporation that is duly licensed and supervised by the North Carolina Department of Labor as a private employment service acting in the normal course of business, may collect such regular and customary fees for services rendered pursuant to a written contract when such fees are paid by someone other than the State of North Carolina; however, any person, firm, or corporation collecting fees for this service must have been licensed by the North Carolina Department of Labor for a period of not less than one year.

Any person, firm or corporation collecting fees for this service must make a monthly report to the Department of Labor listing the name of the person, firm or corporation collecting fees and the person for whom a job was found, the nature and purpose of the job obtained, and the fee collected by the person, firm or corporation collecting the fee. Violation of this section shall constitute a Class 1 misdemeanor.

§ 126-19. Equal employment opportunity plans; reports; maintenance of services by Director of the Office of State Human Resources.

(a) Each member of the Council of State under G.S. 143A-11, each of the principal departments enumerated in G.S. 143B-6, The University of North Carolina, the judicial branch, and the legislative branch, shall develop and submit on an annual basis an Equal Employment Opportunity plan which shall include goals and programs that provide positive measures to assure equitable and fair representation of North Carolina's citizens. The plans developed by the judicial branch and by the Legislative Services Office on behalf of the legislative branch shall be submitted to the General Assembly on or before June 1 of each year. All other such plans shall be submitted to the Director of the Office of State Human Resources for review and approval on or before March 1, of each year.

(b) Repealed by Session Laws 2013-382, s. 7.3, effective August 21, 2013.

(c) The Director of the Office of State Human Resources will provide services of Equal Employment Opportunity technical assistance, training, oversight, monitoring, evaluation, support programs, and reporting to assure that State government's work force is diverse at all occupational levels. These services shall be provided by qualified personnel.

§ 126-20. Reserved for future codification purposes.

§ 126-21. Reserved for future codification purposes.

Article 7.

The Privacy of State Employee Personnel Records.

§ 126-22. Personnel files not subject to inspection under § 132-6.

(a) Except as provided in G.S. 126-23 and G.S. 126-24, personnel files of State employees shall not be subject to inspection and examination as authorized by G.S. 132-6.

(b) For purposes of this Article the following definitions apply:

(1) "Employee" means any current State employee, former State employee, or applicant for State employment.

(2) "Employer" means any State department, university, division, bureau, commission, council, or other agency subject to Article 7 of this Chapter.

(3) "Personnel file" means any employment-related or personal information gathered by an employer or by the Office of State Human Resources.

Employment-related information contained in a personnel file includes information related to an individual's application, selection, promotion, demotion, transfer, leave, salary, contract for employment, benefits, suspension, performance evaluation, disciplinary actions, and termination. Personal information contained in a personnel file includes an individual's home address, social security number, medical history, personal financial data, marital status, dependents, and beneficiaries.

(4) "Record" means the personnel information that each employer is required to maintain in accordance with G.S. 126-23.

(c) Personnel files of former State employees who have been separated from State employment for 10 or more years may be open to inspection and examination except for papers and documents relating to demotions and to disciplinary actions resulting in the dismissal of the employee. Retirement files maintained by the Retirement Systems Division of the Department of State Treasurer shall be made public pursuant to G.S. 128-33.1 and G.S. 135-6.1.

(d) Repealed by Session Laws 2016-108, s. 2(d), effective July 22, 2016.

§ 126-23. Certain records to be kept by State agencies open to inspection.

(a) Each department, agency, institution, commission and bureau of the State shall maintain a record of each of its employees, showing the following information with respect to each such employee:

(1) Name.
(2) Age.
(3) Date of original employment or appointment to State service.
(4) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the agency has the written contract or a record of the oral contract in its possession.
(5) Current position.
(6) Title.
(7) Current salary.
(8) Date and amount of each increase or decrease in salary with that department, agency, institution, commission, or bureau.
(9) Date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with that department, agency, institution, commission, or bureau.
(10) Date and general description of the reasons for each promotion with that department, agency, institution, commission, or bureau.
(11) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the department, agency, institution, commission, or bureau. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the head of the department setting forth the specific acts or omissions that are the basis of the dismissal.
(12) The office or station to which the employee is currently assigned.

(b) For the purposes of this section, the term "salary" includes pay, benefits, incentives, bonuses, and deferred and all other forms of compensation paid by the employing entity.

(c) Subject only to rules and regulations for the safekeeping of the records, adopted by the State Human Resources Commission, every person having custody of such records shall permit them to be inspected and examined and copies thereof made by any person during regular business hours. Except as provided in subsection (d) of this section, any person who is denied access to any such record for the purpose of inspecting, examining or copying the same shall

have a right to compel compliance with the provisions of this section by application to a court of competent jurisdiction for a writ of mandamus or other appropriate relief.

(d) Notwithstanding any other provision of this section, persons in the custody of, or under the supervision of, the Division of Prisons and persons in the custody of local confinement facilities are not entitled to access to the records made public under this section and are prohibited from obtaining those records, absent a court order authorizing access to, or custody, or possession.

(e) An attorney investigating allegations of unlawful misconduct or abuse by a Division of Prisons employee may request, and shall be provided with, information sufficient to identify the full name or names of the employee alleged to be involved in the misconduct or abuse in the current position of the employee within the Division; or, the last position held by the employee and the last date of employment by the Division. The attorney may not give the offender copies of departmental records or official documents absent a court order authorizing access to, or custody, or possession.

§ 126-24. Confidential information in personnel files; access to such information.

All other information contained in a personnel file is confidential and shall not be open for inspection and examination except to the following persons:

(1) The employee, applicant for employment, former employee, or his properly authorized agent, who may examine his own personnel file in its entirety except for (i) letters of reference solicited prior to employment, or (ii) information concerning a medical disability, mental or physical, that a prudent physician would not divulge to a patient. An employee's medical record may be disclosed to a licensed physician designated in writing by the employee.

(2) The supervisor of the employee.

(2a) A potential State or local government supervisor, during the interview process, only with regard to performance management documents or to prevent application fraud.

(3) Members of the General Assembly who may inspect and examine personnel records under the authority of G.S. 120-19.

(4) A party by authority of a proper court order may inspect and examine a particular confidential portion of a State employee's personnel file.

(5) An official of an agency of the federal government, State government or any political subdivision thereof. Such an official may inspect any personnel records when such inspection is deemed by the department head of the employee whose record is to be inspected or, in the case of an applicant for employment or a former employee, by the department head of the agency in which the record is maintained as necessary and essential to the pursuance of a proper function of said agency; provided, however, that such information shall not be divulged for purposes of assisting in a criminal prosecution, nor for purposes of assisting in a tax investigation.

Notwithstanding any other provision of this Chapter, any department head may, in his discretion, inform any person or corporation of any promotion, demotion, suspension, reinstatement, transfer, separation, dismissal, employment or nonemployment of any applicant, employee or former employee employed by or assigned to his department or whose personnel file is maintained in his department and the reasons therefor and may allow the personnel file of such person or any portion thereof to be inspected and examined by any person or corporation when such department head shall determine that the release of such information or the inspection and examination of such file or portion thereof is essential to maintaining the integrity of such department or to maintaining the level or quality of services provided by such department;

provided that prior to releasing such information or making such file or portion thereof available as provided herein, such department head shall prepare a memorandum setting forth the circumstances which the department head deems to require such disclosure and the information to be disclosed. The memorandum shall be retained in the files of said department head and shall be a public record.

§ 126-25. Remedies of employee objecting to material in file.

(a) An employee, former employee, or applicant for employment who objects to material in the employee's file may place in his or her file a written statement relating to the material the employee considers to be inaccurate or misleading.

(b) An employee, former employee, or applicant for employment who objects to material in the employee's file because he or she considers it inaccurate or misleading may seek the removal of such material from the file in accordance with a grievance procedure approved by the State Human Resources Commission. If the agency determines that material in the employee's file is inaccurate or misleading, the agency shall remove or amend the inaccurate material to ensure that the file is accurate. Nothing in this subsection shall be construed to permit an employee to appeal the contents of a performance appraisal or written disciplinary action.

§ 126-26. Rules and regulations.

The State Human Resources Commission shall prescribe such rules and regulations as it deems necessary to implement the provisions of this Article.

§ 126-27. Penalty for permitting access to confidential file by unauthorized person.

Any public official or employee who shall knowingly and willfully permit any person to have access to or custody or possession of any portion of a personnel file designated as confidential by this Article, unless such person is one specifically authorized by G.S. 126-24 to have access thereto for inspection and examination, shall be guilty of a Class 3 misdemeanor and upon conviction shall only be fined in the discretion of the court but not in excess of five hundred dollars ($500.00).

§ 126-28. Penalty for examining, copying, etc., confidential file without authority.

Any person, not specifically authorized by G.S. 126-24 to have access to a personnel file designated as confidential by this Article, who shall knowingly and willfully examine in its official filing place, remove or copy any portion of a confidential personnel file shall be guilty of a Class 3 misdemeanor and upon conviction shall only be fined in the discretion of the court but not in excess of five hundred dollars ($500.00).

§ 126-29. Access to material in file for agency hearing.

A party to a quasi-judicial hearing of a State agency subject to Article 7 of this Chapter, or a State agency subject to Article 7 of this Chapter which is conducting a quasi-judicial hearing, may have access to relevant material in personnel files and may introduce copies of such material or information based on such material as evidence in the hearing either upon consent of the employee, former employee, or applicant for employment or upon subpoena properly issued by the agency either upon request of a party or on its own motion. Nothing in this Article shall impose liability on any agent or officer of the State for compliance with this provision, notwithstanding any other provision of this Article.

§ 126-30. Fraudulent disclosure and willful nondisclosure on application for State employment; penalties.

(a) Any employee who knowingly and willfully discloses false or misleading information, or conceals dishonorable military service; or conceals prior employment history or other requested information, either of which are significantly related to job responsibilities on an application for State employment or any document attached to or supplementing an application may be subjected to disciplinary action up to and including immediate dismissal from employment. Dismissal shall be mandatory where the applicant discloses false or misleading information in order to meet position qualifications. Application forms for State employment shall include a statement informing applicants of the consequences of such fraudulent disclosure or lack of disclosure. This statement shall also appear on any screen that allows an applicant to attach materials to, or supplement, a State application.

(b) The employing authority within each department, university, board, or commission, shall verify the status of credentials and the accuracy of statements contained in the application of each new employee within 90 days from the date of the employees employment. Failure to verify the application shall not bar action under subsection (a) above.

(c) The State Human Resources Commission shall issue rules and procedures to implement this section for all departments, agencies and institutions which are not exempted from the North Carolina Human Resources Act under G.S. 126-5(c1). Each agency, department and institution which is exempted under G.S. 126-5(c1) shall issue regulations to implement this section pursuant to the rulemaking procedures applicable to it.

§ 126-31. Reserved for future codification purposes.

§ 126-32. Reserved for future codification purposes.

§ 126-33. Reserved for future codification purposes.

Article 8.

Employee Appeals of Grievances and Disciplinary Action.

§ 126-34: Repealed by Session Laws 2013-382, s. 6.1, effective August 21, 2013, and applicable to grievances filed on or after that date.

§ 126-34.01. Grievance; resolution.

Any State employee having a grievance arising out of or due to the employee's employment shall first discuss the problem or grievance with the employee's supervisor, unless the problem or grievance is with the supervisor. Then the employee shall follow the grievance procedure approved by the State Human Resources Commission. The proposed agency final decision shall not be issued nor become final until reviewed and approved by the Office of State Human Resources. The agency grievance procedure and Office of State Human Resources review shall be completed within 90 days from the date the grievance is filed.

§ 126-34.02. Grievance appeal process; grounds.

(a) Once a final agency decision has been issued in accordance with G.S. 126-34.01, an applicant for State employment, a State employee, or former State employee may file a contested case in the Office of Administrative Hearings under Article 3 of Chapter 150B of the General Statutes. The contested case must be filed within 30 days of receipt of the final agency decision. Except for cases of extraordinary cause shown, the Office of Administrative Hearings shall hear and issue a final decision in accordance with G.S. 150B-34 within 180 days from the commencement of the case. In deciding cases under this section, the Office of Administrative Hearings may grant the following relief:

(1) Reinstate any employee to the position from which the employee has been removed.

(2) Order the employment, promotion, transfer, or salary adjustment of any individual to whom it has been wrongfully denied.

(3) Direct other suitable action to correct the abuse which may include the requirement of payment for any loss of salary which has resulted from the improper action of the appointing authority.

An aggrieved party in a contested case under this section shall be entitled to judicial review of a final decision by appeal to the Court of Appeals as provided in G.S. 7A-29(a). The procedure for the appeal shall be as provided by the rules of appellate procedure. The appeal shall be taken within 30 days of receipt of the written notice of final decision. A notice of appeal shall be filed with the Office of Administrative Hearings and served on all parties to the contested case hearing.

(b) The following issues may be heard as contested cases after completion of the agency grievance procedure and the Office of State Human Resources review:

(1) Discrimination or harassment. - An applicant for State employment, a State employee, or former State employee may allege discrimination or harassment based on race, religion, color, national origin, sex, age, disability, genetic information, or political affiliation if the employee believes that he or she has been discriminated against in his or her application for employment or in the terms and conditions of the employee's employment, or in the termination of his or her employment.

(2) Retaliation. - An applicant for State employment, a State employee, or former State employee may allege retaliation for protesting discrimination based on race, religion, color, national origin, sex, age, disability, political affiliation, or genetic information if the employee believes that he or she has been retaliated against in his or her application for employment or in the terms and conditions of the employee's employment, or in the termination of the employee's employment.

(3) Just cause for dismissal, demotion, or suspension. - A career State employee may allege that he or she was dismissed, demoted, or suspended for disciplinary reasons without just cause. A dismissal, demotion, or suspension which is not imposed for disciplinary reasons shall not be considered a disciplinary action within the meaning of this section. However, in contested cases conducted pursuant to this section, an employee may appeal an involuntary nondisciplinary separation due to an employee's unavailability in the same fashion as if it were a disciplinary action, but the agency shall only have the burden to prove that the employee was unavailable. In cases of such disciplinary action the employee shall, before the action is taken, be furnished with a statement in writing setting forth the specific acts or omissions that are the reasons for the disciplinary action and the employee's appeal rights. The employee shall be permitted 15 days from the date the statement is delivered to appeal under the agency grievance procedure. However, an employee may be suspended without warning pending the giving of written reasons in order to avoid undue disruption of work, to protect the safety of persons or property, or for other serious reasons.

(4) Veteran's and National Guard preference. - An applicant for State employment or a State employee may allege that he or she was denied veteran's preference or National Guard preference in violation of the law.

(5) Failure to post or give priority consideration. - An applicant for State employment or a State employee may allege that he or she was denied hiring

or promotion because a position was not posted in accordance with this Chapter; or a career State employee may allege that he or she was denied a promotion as a result of a failure to give priority consideration for promotion as required by G.S. 126-7.1; or a career State employee may allege that he or she was denied hiring as a result of the failure to give him or her a reduction-in-force priority.

(6) Whistleblower. - A whistleblower grievance as provided for in this Chapter.

(c) Any issue for which an appeal to the Office of Administrative Hearings has not been specifically authorized by this section shall not be grounds for a contested case hearing.

(d) In contested cases conducted pursuant to this section, the burden of showing that a career State employee was discharged, demoted, or suspended for just cause rests with the employer. In all other contested cases, the burden of proof rests on the employee.

(e) The Office of Administrative Hearings may award attorneys' fees to an employee where reinstatement or back pay is ordered or where an employee prevails in a whistleblower grievance. The remedies provided in this subsection in a whistleblower appeal shall be the same as those provided in G.S. 126-87.

(f) The Office of Administrative Hearings shall report to the Office of State Human Resources and the Joint Legislative Administrative Procedure Oversight Committee on the number of cases filed under this section and on the number of days between filing and closing of each case. The report shall be filed on a semiannual basis.

§ 126-34.1: Repealed by Session Laws 2013-382, s. 6.1, effective August 21, 2013, and applicable to grievances filed on or after that date.

§ 126-34.2. Alternative dispute resolution.

In its discretion, the Commission may adopt alternative dispute resolution procedures for the resolution of matters constituting and not constituting grounds for a grievance under this Article. Any matters not constituting grounds for an appeal under G.S. 126-34.02 shall not be heard by the Office of Administrative Hearings as a contested case.

§ 126-34.3. Judicial review of fee awards.

With respect to a decision of the Office of Administrative Hearings assessing or refusing to assess reasonable witness fees or a reasonable attorneys' fee, the decision shall be subject to judicial review in accordance with G.S. 126-34.02(a). The reviewing court may reverse or modify the decision of the Office of Administrative Hearings if the decision is unreasonable or the award is inadequate. An employee who obtains a reversal or modification of the Office of Administrative Hearings' decision in an appeal under this section shall be entitled to recover court costs and a reasonable attorneys' fee for representation in connection with the appeal.

§ 126-35. Just cause; disciplinary actions for State employees.

(a) No career State employee subject to the North Carolina Human Resources Act shall be discharged, suspended, or demoted for disciplinary reasons, except for just cause. In cases of such disciplinary action, the employee shall, before the action is taken, be furnished with a statement in writing setting forth the specific acts or omissions that are the reasons for the disciplinary action and the employee's appeal rights. The employee shall be permitted 15 days from the date the statement is delivered to appeal to the head of the agency through the agency grievance procedure for a final agency decision. However, an employee may be suspended without warning for causes relating to personal conduct detrimental to State service, pending the giving of written reasons, in order to avoid undue disruption of work or to protect the safety of persons or property or for other serious reasons. If the employee is not satisfied with the final

agency decision or is unable, within a reasonable period of time, to obtain a final agency decision, the employee may appeal to the Office of Administrative Hearings. Such appeal shall be filed not later than 30 days after receipt of notice of the final agency decision. The State Human Resources Commission may adopt, subject to the approval of the Governor, rules that define just cause.

(b) through (d) Repealed by Session Laws 2013-382, s. 6.1, effective August 21, 2013, and applicable to grievances filed on or after that date.

§§ 126-36 through 126-41: Repealed by Session Laws 2013-382, s. 6.1, effective August 21, 2013, and applicable to grievances filed on or after that date.

§ 126-42. Reserved for future codification purposes.

Article 9.
The Administrative Procedure Act and Modifications.

§§ 126-43 through 126-44: Repealed by Session Laws 1987, c. 320, s. 9.

§ 126-45: Repealed by Session Laws 1977, c. 866, s. 18.

§§ 126-46 through 126-50. Reserved for future codification purposes.

Article 10.
Interchange of Governmental Employees.

§ 126-51. Short title.

This Article shall be known and may be cited as the "North Carolina Interchange of Governmental Employees Act of 1977."

§ 126-52. Definitions.

For purposes of this Article:

(1) "Assigned employee" means an employee of a sending agency who is assigned or detailed to a receiving agency as part of the employee's regular duties with the sending agency.

(2) "Employee on leave" means an employee on leave of absence without pay from a sending agency who becomes an employee of a receiving agency while on leave from the sending agency.

(3) "Receiving agency" means any division, department, agency, instrumentality, authority, or political subdivision of the federal government or of a state or local government which, under this Article, receives an employee of another governmental division, department, agency, instrumentality, authority, or political subdivision of the federal government or of a state or local government.

(4) "Sending agency" means any division, department, agency, instrumentality, authority, or political subdivision of the federal government or of a state or local government which, under this Article, sends any employee thereof to another governmental division, department, agency, instrumentality, authority, or political subdivision of the federal government or of a state or local government.

§ 126-53. Authority to interchange employees.

(a) Any division, department, agency, instrumentality, authority, or political subdivision of the State of North Carolina is authorized to participate in a program of interchange of employees with divisions, departments, agencies, instrumentalities, authorities, or political subdivisions of the federal government, of another state, or of this State, as a sending agency or a receiving agency.

(b) The period of individual assignment, detail, or leave of absence under an interchange program shall not exceed two years.

(c) The temporary assignment of the employee may be terminated by mutual agreement between the sending agency and the receiving agency.

(d) Elected officials may not participate in a program of interchange under this Article.

§ 126-54. Status of employees of sending agency.

(a) Employees of a sending agency participating in an exchange of personnel authorized by G.S. 126-53 may be considered during such participation to be either assigned employees or employees on leave.

(b) Assigned employees shall be entitled to the same salary and employment benefits to which they would be entitled as employees of the sending agency and shall remain employees of the sending agency for all purposes unless otherwise provided in this Article or in a written agreement between the sending agency and the receiving agency.

(c) Employees on leave shall have the same rights, benefits and obligations as other State or local employees subject to this Chapter who are granted leaves of absences, unless otherwise provided in this Article, or in a written agreement between the sending agency and the receiving agency.

(d) When a division, department, agency, instrumentality, authority or political subdivision of the State of North Carolina acts as a sending agency, employees participating in an exchange of personnel authorized by G.S. 126-53, whether considered assigned employees or employees on leave, shall have the same rights, benefits and obligations to participate in and receive benefits, including death benefits, from any retirement system of which they are members as employees of the sending agency, whether they are members of the Teachers' and State Employees' Retirement System, the North Carolina Local Governmental Employees' Retirement System, the Law Enforcement Officers' Benefit and Retirement Fund, or other Retirement System which has been or may be established by the State for public employees; provided, however, that the receiving agency agrees to and makes the employer contributions and deducts from the salary of the employee the employee contributions for continued membership in such Retirement System. Provided, further, that if no contributions are paid into the appropriate Retirement System during the period that the employee participates in the exchange of personnel authorized by this Article, such employee shall remain entitled to death benefits resulting from his death during the period of the exchange. Provided, that where duplicate benefits would otherwise be payable on account of disability or death, the employee or his estate shall elect, within one year of the date of disability or death, which benefits to receive.

§ 126-55. Travel expenses of employees from this State.

A sending agency in this State shall not pay the travel expenses of its assigned or on leave employees and shall not pay the travel expenses of such employees incurred in the course of performing work for the receiving agency. Such expenses shall be borne by the receiving agency.

§ 126-56. Status of employees of other governments.

(a) When a division, department, agency, instrumentality, authority or political subdivision of the State of North Carolina acts as a receiving agency, assigned employees of the sending agency remain the employees of the sending agency and continue to receive the

employment benefits of the sending agency unless otherwise specified in a written agreement between the sending agency and the receiving agency.

(b) When a division, department, agency, instrumentality, authority or political subdivision of this State acts as a receiving agency, employees on leave from the sending agency will receive appointments as employees with the receiving agency and will be entitled to the same employment benefits as other employees of the receiving agency unless otherwise specified in a written agreement between the sending agency and the receiving agency. Such appointments may be made without regard to any rules or regulations of the receiving agency regarding the selection of employees; but all rules of the North Carolina Human Resources Act shall apply to State employees.

§ 126-57. Travel expenses of employees of other governments.

A receiving agency in the State of North Carolina may, in accordance with its travel regulations and travel regulations by law, pay the travel expenses incurred in the course of an assigned employee's duties or incurred in the course of the duties of an employee on leave with the receiving agency on the same basis as the travel expenses of regular employees are paid.

§ 126-58. Administration.

The State Human Resources Commission and any State division, department, agency, instrumentality, authority or political subdivision participating in an interchange of employees program may promulgate rules or regulations necessary for the administration of such program, so long as such rules or regulations do not conflict with the provisions of this Article or any other provision of law.

§§ 126-59 through 126-63. Reserved for future codification purposes.

Article 11.

Governor's Commission on Governmental Productivity.

§§ 126-64 through 126-73: Repealed by Session Laws 1985, c. 479, s. 153(a).

Article 12.

Work Options Program for State Employees.

§ 126-74. Work Options Program established.

There is established a Work Options Program for State employees in the Office of State Human Resources to be administered by the State Human Resources Commission. The Director of the Office of State Human Resources shall assign an employee within the Office of State Human Resources, to be known as the State Work Options Coordinator, to direct the Work Options Program as established in this Article.

§ 126-75. Work options for State employees.

(a) The following work options allowed State employees are to be included in the program administered under this Article:

(1) Flexible work hours as established by the State Human Resources Commission;

(2) Job sharing as permitted by the State Human Resources Commission;

(3) Permanent part-time positions as established under the North Carolina Human Resources Act.

(b) The State Human Resources Commission shall examine the present options listed in subsection (a) of this section available to State employees and other options the State Human Resources Commission may make available for a comprehensive program of work options for

State employees. The State Human Resources Commission shall, with the concurrence of the agency, determine the need for additional permanent part-time positions within State Government and how increased use of these positions could benefit employee morale and productivity as well as increase the use of the available labor force. None of the provisions of this Article shall be administered to reduce the total number of hours per day a State office normally is open to serve the public.

§ 126-76. Promoting Work Options Program.

The State Human Resources Commission shall develop a program to expand the use of work options. This program shall include training sessions for agency personnel to instruct them in the use of work options available to State employees. The State Human Resources Commission shall also provide technical assistance to agency personnel in developing a Work Options Program for each agency or expanding existing programs in each agency. The Work Options Coordinator shall also identify personnel positions within the State Human Resources system which can effectively be structured in job sharing or permanent part-time employment positions.

§ 126-77. Authority of agencies to participate.

The State Human Resources Commission shall request from each agency assistance in formulating the Work Options Program. Any division, department, agency, instrumentality or authority shall participate in the program of work options as established in this Article.

§ 126-78. Administration.

The State Human Resources Commission and any State division, department, agency, instrumentality or authority participating in the State Work Options Program shall promulgate rules necessary for the administration of the program.

§ 126-79: Repealed by Session Laws 2013-382, s. 7.7, effective August 21, 2013.

Article 13.
Veteran's Preference.

§ 126-80. Declaration of policy.

It shall be the policy of the State of North Carolina that, in appreciation for their service to this State and this country during a period of war, and in recognition of the time and advantage lost toward the pursuit of a civilian career, veterans shall be granted preference in employment for positions subject to the provisions of this Chapter with every State department, agency, and institution.

§ 126-80.5. National Guard preference.

(a) It shall be the policy of the State of North Carolina that, in recognition and appreciation for service to the State and this country, and in recognition of the time and advantage lost toward the pursuit of a civilian career, an eligible member of the National Guard as defined in G.S. 126-81(4) shall be granted preference in employment for positions subject to the provisions of this Chapter with every State department, agency, and institution.

(b) In all evaluations of applicants for positions with this State or any of its departments, agencies, or institutions, a preference shall be awarded to all eligible members of the National Guard who are citizens of the State. This preference applies to initial employment and extends to other employment events, including a subsequent hiring, promotion, reassignment, or horizontal transfer.

(c) The provisions of this section shall be subject to the provisions of Article 9 of Chapter 143B of the General Statutes.

§ 126-81. Definitions.

Note: Section 17.(a) of Session Law 2025-25 states that the "Revisor of Statutes may recodify the definitions" in G.S. § 126-81 to be in alphabetical order. The following assumes that the Revisor of Statutes recodifies the definitions, which are currently subsections (1) to (4), as subsections (5) to (8).

The following definitions apply in this Article:

(1) Recodified as G.S. 126-81(7) by Section 17.(a) of Session Law 2025-25.

(2) Recodified as G.S. 126-81(8) by Section 17.(a) of Session Law 2025-25.

(3) Recodified as G.S. 126-81(6) by Section 17.(a) of Session Law 2025-25.

(4) Recodified as G.S. 126-81(5) by Section 17.(a) of Session Law 2025-25.

(5) Eligible member of the National Guard. - Any of the following:

a. A resident of North Carolina who is a current member in good standing of either the North Carolina Army National Guard or the North Carolina Air National Guard.

b. A resident of North Carolina who is a former member of either the North Carolina Army National Guard or the North Carolina Air National Guard, whose discharge is under honorable conditions with a minimum of six years of creditable service.

c. The surviving spouse and dependent of a member of the North Carolina Army National Guard or the North Carolina Air National Guard who dies on State active duty either directly or indirectly as a result of that service.

d. The surviving spouse or dependent of a member of the North Carolina National Guard who died for service-related reasons during peacetime.

(6) Eligible veteran. - Any of the following:

a. A veteran who served during a period of war.

b. The spouse of a disabled veteran.

c. The surviving spouse or dependent of a veteran who dies on active duty during a period of war either directly or indirectly as a result of such service.

d. A veteran who suffered a service-connected disability during peacetime.

e. The spouse of a veteran described in sub-subdivision d. of this subdivision.

f. The surviving spouse or dependent of a person who served in the Armed Forces of the United States on active duty, for reasons other than training, who died for service-related reasons during peacetime.

(7) Period of war. - World War I (April 16, 1917, through November 11, 1918), World War II (December 7, 1941, through December 31, 1946), the Korean Conflict (June 27, 1950, through January 31, 1955), the period of time between January 31, 1955, and the end of the hostilities in Vietnam (May 7, 1975), or any other campaign, expedition, or engagement for which a campaign badge or medal is authorized by the United States Department of Defense.

(8) Veteran. - A person who served in the Armed Forces of the United States on active duty, for reasons other than training, and has been discharged under other than dishonorable conditions.

§ 126-82. State Human Resources Commission to provide for preference.

(a) The State Human Resources Commission shall provide that in evaluating the qualifications of an eligible veteran against the minimum requirements for obtaining a position, credit shall be given for all military service training or schooling and experience that bears a reasonable and functional relationship to the knowledge, skills, and abilities required for the position. This preference applies to initial employment with the State and extends to other employment events including subsequent hirings, promotions, reassignments, and horizontal transfers.

(b) The State Human Resources Commission shall provide that if an eligible veteran has met the minimum requirements for the position, after receiving experience credit under subsection (a) of this section, he shall receive experience credit as determined by the Commission for additional related and unrelated military service. This preference applies to initial employment with the State and extends to other employment events including subsequent hirings, promotions, reassignments, and horizontal transfers.

(c) The State Human Resources Commission may provide that in reduction in force situations where seniority or years of service is one of the considerations for retention, an eligible veteran shall be accorded credit for military service.

(d) Any eligible veteran who has reason to believe that he or she did not receive a veteran's preference in accordance with the provisions of this Article or rules adopted under it may appeal that denial as provided by G.S. 126-34.01 and G.S. 126-34.02.

(e) The willful failure of any employee subject to the provisions of Article 8 of this Chapter to comply with the provisions of this Article or rules adopted under it constitutes personal misconduct in accordance with the provisions and promulgated rules of this Chapter, including those for suspension, demotion, or dismissal.

§ 126-83. Exceptions.

Notwithstanding G.S. 126-5, and notwithstanding provisions in that section that only certain Articles of this Chapter apply to some employees, this Article applies to all persons covered by this Chapter except those exempted by G.S. 126-5(c)(2), G.S. 126-5(c)(3), G.S. 126-5(c)(4), G.S. 126-5(c1), G.S. 126-5(c2), or G.S. 126-5(c3), but this Article does not apply to those persons covered by G.S. 126-5(a)(2). G.S. 128-15 shall apply to those persons exempted from coverage of this Article, but shall not apply to any person covered by this Article.

Article 14.
Protection for Reporting Improper Government Activities.

§ 126-84. Statement of policy.

(a) It is the policy of this State that State employees shall have a duty to report verbally or in writing to their supervisor, department head, or other appropriate authority, evidence of activity by a State agency or State employee constituting any of the following:

(1) A violation of State or federal law, rule or regulation.
(2) Fraud.
(3) Misappropriation of State resources.
(4) Substantial and specific danger to the public health and safety.
(5) Gross mismanagement, a gross waste of monies, or gross abuse of authority.

(b) Further, it is the policy of this State that State employees be free of intimidation or harassment when reporting to public bodies about matters of public concern, including offering testimony to or testifying before appropriate legislative panels, or providing statements or testimony to agents and employees of legislative panels duly appointed by the President Pro Tempore and/or the Speaker of the House designated to conduct inquiries on behalf of such legislative panels.

§ 126-85. Protection from retaliation. (Including changes effective June 26, 2025)

(a) No head of any State department, agency, or institution or other State employee exercising supervisory authority shall discharge, threaten, or otherwise discriminate against a State employee regarding the State employee's compensation, terms, conditions, location, or privileges of employment because the State employee, or a person acting on behalf of the employee, reports or is about to report, verbally or in writing, any activity described in G.S. 126-84, unless the State employee knows or has reason to believe that the report is inaccurate.

(a1) No State employee shall retaliate against another State employee because the employee, or a person acting on behalf of the employee, reports or is about to report, verbally or in writing, any activity described in G.S. 126-84.

(b) No head of any State department, agency, or institution or other State employee exercising supervisory authority shall discharge, threaten, or otherwise discriminate against a State employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because the State employee has refused to carry out a directive that in fact constitutes a violation of State or federal law, rule, or regulation or poses a substantial and specific danger to the public health and safety.

(b1) No State employee shall retaliate against another State employee because the employee has refused to carry out a directive that may constitute a violation of State or federal law, rule, or regulation, or poses a substantial and specific danger to the public health and safety.

(c) The protections of this Article include State employees who report any activity described in G.S. 126-84 to the State Auditor as authorized by G.S. 147-64.6B, to the Joint Legislative Commission on Governmental Operations as authorized by G.S. 120-75.1, or to a legislative committee as required by G.S. 120-19.

§ 126-86. Civil actions for injunctive relief or other remedies.

Any State employee injured by a violation of G.S. 126-85 who is not subject to Article 8 of this Chapter may maintain an action in superior court for damages, an injunction, or other remedies provided in this Article against the person or agency who committed the violation within one year after the occurrence of the alleged violation of this Article; provided, however, any claim arising under Article 21 of Chapter 95 of the General Statutes may be maintained pursuant to the provisions of that Article only and may be redressed only by the remedies and relief available under that Article.

§ 126-87. Remedies.

A court, in rendering a judgment in an action brought pursuant to this Article, may order an injunction, damages, reinstatement of the employee, the payment of back wages, full reinstatement of fringe benefits and seniority rights, costs, reasonable attorney's fees or any combination of these. If an application for a permanent injunction is granted, the employee shall be awarded costs and reasonable attorney's fees. If in an action for damages the court finds that the employee was injured by a willful violation of G.S. 126-85, the court shall award as damages three times the amount of actual damages plus costs and reasonable attorney's fees against the individual or individuals found to be in violation of G.S. 126-84.

§ 126-88. Notice of employee protections and obligations.

It shall be the duty of an employer of a State employee to post notice in accordance with G.S. 95-9 or use other appropriate means to keep his employees informed of their protections and obligations under this Article.

§ 126-89: Reserved for future codification purposes.

Article 15.
Communications With Members of the General Assembly.

§ 126-90. Communications with members of the General Assembly.

A State employee's right to speak to a member of the General Assembly at the member's request shall not be directly or indirectly limited by the employee's supervisor or by any policy of the department, agency, or institution that employs that State employee.

§ 126-91: Reserved for future codification purposes.

§ 126-92: Reserved for future codification purposes.

§ 126-93: Reserved for future codification purposes.

§ 126-94: Reserved for future codification purposes.

Article 16.
Flexible Compensation Plan.

§ 126-95. Flexible compensation plan.

(a) The Director of the Budget may provide eligible officers and employees of State departments, institutions, and agencies not covered by the provisions of G.S. 116-17.2 a program of dependent care assistance as available under section 129 and related sections of the Internal Revenue Code of 1986, as amended. The Director of the Budget may authorize State departments, institutions, and agencies to enter into annual agreements with employees who elect to participate in the program to provide for a reduction in salary. With the approval of the Director of the Budget, savings in the employer's share of contributions under the Federal Insurance Contributions Act on account of the reduction in salary may be used to pay some or all of the administrative expenses of the program. Should the Director of the Budget decide to contract with a third party to administer the terms and conditions of a program of dependent care assistance, the Director of the Budget may select a contractor only upon a thorough and completely competitive procurement process.

(b) Notwithstanding any other provisions of law relating to the salaries of officers and employees of departments, institutions, and agencies of State government, the Director of the Budget may provide a plan of flexible compensation to eligible officers and employees of State departments, institutions, and agencies not covered by the provisions of G.S. 116-17.2 for benefits available under section 125 and related sections of the Internal Revenue Code of 1986, as amended. This plan shall not replace, substitute for, or duplicate any benefits provided to employees and officers under Article 1A of Chapter 120 of the General Statutes and Articles 1, 3B, 4, and 6 of Chapter 135 of the General Statutes. The plan may, however, include offerings for products and benefits that are supplemental or additional to these statutory benefits. If a plan of flexible compensation is offered, then a TRICARE supplement shall be offered. In providing a plan of flexible compensation, the Director of the Budget may authorize State departments, institutions, and agencies to enter into agreements with their employees for reductions in the salaries of employees electing to participate in the plan of flexible compensation provided by this section. With the approval of the Director of the Budget, savings in the employer's share of contributions under the Federal Insurance Contributions Act on account of the reduction in salary may be used to pay some or all of the administrative expenses of the program. Should the Director of the Budget decide to contract with a third party to administer the terms and conditions of a plan of flexible compensation as provided by this section, it may select such a contractor only upon a thorough and completely advertised competitive procurement process.

(c) As used in this section, the term "eligible officers and employees" means any officer or employee authorized to participate in the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System, and the State Health Plan.

§ 126-96: Reserved for future codification purposes.

§ 126-97: Reserved for future codification purposes.

§ 126-98: Reserved for future codification purposes.

§ 126-99: Reserved for future codification purposes.

Other Important Statutes and Session Law Provisions for State Human Resources

Version 0.122, last updated November 6, 2025 (through Session Law 2025-97)

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Minimum Salary for State Employees (Section 35.14 of Session Law 2018-5)

Section 35.14.(b) of Session Law 2018-5 (Effective July 1, 2018)

SECTION 35.14.(b) The Office of State Budget and Management shall allocate the Compensation Increase Reserve of fifteen million three hundred thousand dollars ($15,300,000) appropriated in this act as needed to establish a minimum State employee annual salary of thirty-one thousand two hundred dollars ($31,200). The State Human Resources Commission shall increase the minimum of all salary ranges in any compensation plan it maintains to at least thirty-one thousand two hundred dollars ($31,200) annually. The minimum salary does not apply to State-funded local employees.

Veterans' and National Guard Preference for Positions That Are Exempt from the North Carolina Human Resources Act (N.C.G.S. § 128-15)

Note: N.C.G.S. § 126-83 provides, "G.S. 128-15 shall apply to those persons exempted from coverage of this Article, but shall not apply to any person covered by this Article." As a result, the following statute applies only to employees who are exempt from the North Carolina Human Resources Act.

Chapter 128.
Offices and Public Officers.

...

Article 1.
General Provisions.

...

§ 128-15. Employment preference for veterans and their spouses or surviving spouses.

(a) It shall be the policy of the State of North Carolina that, in appreciation for their service to this State and this country during a period of war, and in recognition of the time and advantage lost toward the pursuit of a civilian career, veterans and eligible members of the National Guard shall be granted preference in employment with every State department, agency, and institution.

(b) As used in this section:

(1) Period of war. - World War I (April 16, 1917, through November 11, 1918), World War II (December 7, 1941, through December 31, 1946), the Korean Conflict (June 27, 1950, through January 31, 1955), the period of time between January 31, 1955, and the end of the hostilities in Vietnam (May 7, 1975), or any other campaign, expedition, or engagement for which a campaign badge or medal is authorized by the United States Department of Defense.

(2) Veteran. - A person who served in the Armed Forces of the United States on active duty, for reasons other than training, and has been discharged under other than dishonorable conditions.

(3) Eligible veteran. - Any of the following:

a. A veteran who served during a period of war.

b. The spouse of a disabled veteran.

c. The surviving spouse or dependent of a veteran who dies on active duty during a period of war either directly or indirectly as the result of such service.

d. A veteran who suffered a disabling injury for service-related reasons during peacetime.

e. The spouse of a veteran described in sub-subdivision d. of this subdivision.

f. The surviving spouse or dependent of a person who served in the Armed Forces of the United States on active duty, for reasons other than training, who dies for service-related reasons during peacetime.

(4) Eligible member of the National Guard. - Any of the following:

a. A resident of North Carolina who is a current member in good standing of either the North Carolina Army National Guard or the North Carolina Air National Guard.

b. A resident of North Carolina who is a former member of either the North Carolina Army National Guard or the North Carolina Air National Guard, whose discharge is under honorable conditions with a minimum of six years of creditable service.

c. The surviving spouse and dependent of a member of the North Carolina Army National Guard or the North Carolina Air National Guard who dies on State active duty either directly or indirectly as a result of that service.

d. The surviving spouse or dependent of a member of the North Carolina National Guard who died for service-related reasons during peacetime.

(c) Hereafter, in all evaluations of applicants for positions with this State or any of its departments, institutions or agencies, a preference shall be awarded to all eligible veterans and eligible members of the National Guard who are citizens of the State and who served the State or the United States honorably in the military forces of this State or of the United States during a period of war. This preference applies to initial employment with the State and extends to other employment events including subsequent hirings, promotions, reassignments, and horizontal transfers.

(d) The provisions of this section shall be subject to the provisions of Article 1 of Chapter 165 of the General Statutes, G.S. 126-83, and Parts 13 and 19 of Article 9 of Chapter 143B of the General Statutes.

Statutes on State Workers' Compensation Program (N.C.G.S. Chapter 143, Article 63)

Chapter 143.
State Departments, Institutions, and Commissions

...

Article 63.
State Employees Workplace Requirements Program for Safety, Health, and Workers' Compensation.
Part 1. Executive Branch Programs.

§ 143-580. Definition.

As used in this Article, "State agency" means any department, commission, division, board, or institution of the State within the executive branch of government, including The University of North Carolina system, and the Office of Administrative Hearings.

§ 143-581. Program goals.

The Office of State Human Resources shall establish a written program for State employee workplace safety, health, and workers' compensation. The program shall promote safe and healthful working conditions and shall be based on clearly stated goals and objectives for meeting the goals. The program shall provide managers, supervisors, and employees with a clear and firm understanding of the State's concern for protecting employees from job-related injuries and health impairment; preventing accidents and fires; planning for emergencies and emergency medical procedures; identifying and controlling physical, chemical, and biological hazards in the workplace; communicating potential hazards to employees; and assuring adequate housekeeping and sanitation.

§ 143-582. Program requirements.

The written program required under this Article shall describe at a minimum:

(1) The methods to be used to identify, analyze, and control new or existing hazards, conditions, and operations.

(2) How managers, supervisors, and employees are responsible for implementing the program, controlling accident-related expenditures, and how continued participation of management and employees will be established, measured, and maintained.
(3) How the plan will be communicated to all affected employees so that they are informed of work-related physical, chemical, or biological hazards, and controls necessary to prevent injury or illness.
(4) How managers, supervisors, and employees will receive training in avoidance of job-related injuries and health impairment.
(5) How workplace accidents will be reported and investigated and how corrective actions will be implemented.
(6) How safe work practices and rules will be communicated and enforced.
(7) The safety and health training program that will be made available to employees.
(8) How employees can make complaints concerning safety and health problems without fear of retaliation.
(9) How employees will receive medical attention following a work-related injury or illness.

§ 143-583. Model program; technical assistance; reports.

(a) Model Program. - The Office of State Human Resources shall:
(1) Maintain a model program of safety and health requirements to guide State agencies in the development of their individual programs and in complying with the provisions of G.S. 95-148 and this Article.
(2) Establish guidelines for the creation and operation of State agency safety and health committees.
(3) Adopt policies that shall govern the administration of the workers' compensation program and monitor compliance with Chapter 97 of the General Statutes.
(4) Establish guidelines for the delegation of certain administrative functions as necessary for the administration of the workers' compensation program to State agencies, as defined in this section.

(b) Repealed by Session Laws 2015-241, s. 30.18(b), effective July 1, 2015.

(b1) Technical Assistance. - The Office of State Human Resources shall:
(1) Provide consultative and technical services to assist State agencies in establishing and administering their workplace safety and health programs and to address specific technical problems.
(2) Monitor compliance with this Article.

(c) Reports. - The Office of State Human Resources shall report annually to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on General Government on the safety, health, and workers' compensation activities of State agencies, compliance with this Article, and the fines levied against State agencies pursuant to Article 16 of Chapter 95 of the General Statutes.

§ 143-584. State agency safety and health committees.

The Office of State Human Resources shall create, pursuant to guidelines adopted under subsection (a) of G.S. 143-583, committees to perform workplace inspections, review injury and illness records, make advisory recommendations to the agency's managers, and perform other functions determined by the Office of State Human Resources to be necessary for the effective

implementation of the State Employees Workplace Requirements Program for Safety and the workers' compensation program.

§§ 143-585 through 143-588. Reserved for future codification purposes.

Part 2. Legislative and Judicial Branch Programs.

§ 143-589. Legislative and judicial branch safety and health programs.

The Legislative Services Commission and the Administrative Office of the Courts are authorized to separately establish safety and health programs for their employees.

§§ 143-590 through 143-594. Reserved for future codification purposes.

Department of Justice Role in Settlement Agreements (N.C.G.S. § 114-2.4)

Chapter 114.
Department of Justice.

...

Article 1.
Attorney General.

...

§ 114-2.4. Settlement agreements.

(a) The Attorney General shall review the terms of all proposed agreements entered into by the State or a State department, agency, institution, or officer to settle or resolve litigation or potential litigation, that involves the payment of public monies in the sum of seventy-five thousand dollars ($75,000) or more. In order for such an agreement or contract to be effective against the State, the Attorney General shall submit to the State or the State department, agency, institution, or officer a written opinion regarding the terms of the proposed agreement and the advisability of entering into the agreement, prior to entering into the agreement. The written opinion required by this section shall be maintained in the official file of the final settlement agreement. The Attorney General by rule may delegate to a deputy or assistant Attorney General or to another subordinate the authority to review settlement agreements. This subsection shall not apply to proposed agreements entered into by an entity, officer, or employee of the Judicial Branch.

…

(b) The Attorney General shall report to the Joint Legislative Commission on Governmental Operations on all agreements entered into by the State or a State department, agency, institution, or officer to settle or resolve litigation or potential litigation, that involves the payment of public monies in the sum of seventy-five thousand dollars ($75,000) or more.

State Health Plan Approval of Certain Settlement Agreements with Employees (N.C.G.S. § 135-48.46)

Chapter 135.
Retirement System for Teachers and State Employees; Social Security; State Health Plan for Teachers and State Employees.

...

Article 3B.
State Health Plan for Teachers and State Employees.
...
Part 4. Eligibility and Enrollment.
...

§ 135-48.46. Settlement agreements by employing units.

(a) No employing unit may enter into any settlement agreement with an employee or former employee regarding health benefits covered under the Plan unless the employing unit has received written authorization from the Plan's Executive Administrator.

(b) No settlement agreement between an employing unit and an employee or former employee may reinstate health benefit coverage under the Plan more than one year prior to the date of the settlement agreement.

State Employee Federal Remedy Restoration Act
(N.C.G.S. Chapter 143, Article 31D)

Chapter 143.
State Departments, Institutions, and Commissions
...
Article 31D.
State Employee Federal Remedy Restoration Act.

§ 143-300.35. State Employee Federal Remedy Restoration Act.

(a) The sovereign immunity of the State is waived for the limited purpose of allowing State employees, except for those in exempt policy-making positions designated pursuant to G.S. 126-5(d), to maintain lawsuits in State and federal courts and obtain and satisfy judgments against the State or any of its departments, institutions, or agencies under:

(1) The Fair Labor Standards Act, 29 U.S.C. § 201, et seq.
(2) The Age Discrimination in Employment Act, 29 U.S.C. § 621, et seq.
(3) The Family and Medical Leave Act, 29 U.S.C. § 2601, et seq.
(4) The Americans with Disabilities Act, 42 U.S.C. § 12101, et seq.

(b) The amount of monetary relief a State employee receives under subsection (a) of this section shall not exceed the amounts authorized under G.S. 143-299.2 or the amounts authorized under the applicable federal law under this section, whichever is less.

Personnel File Access for Transfers of Certified Law Enforcement Officers
(N.C.G.S. §§ 17C-10.2 and 17E-7.1, added by Session Law 2025-51)

Chapter 17C.
North Carolina Criminal Justice Education and Training Standards Commission.
Article 1.
General.
...

§ 17C-10.2. Transfer of certified law enforcement officers. (Effective July 2, 2025)

(a) Notwithstanding any other provision of law, a North Carolina law enforcement agency considering an applicant for employment as a sworn law enforcement officer shall request access to and review the complete personnel file of the applicant maintained by or on behalf of any

North Carolina law enforcement agency where the applicant was employed for any part of the five-year period preceding the current application.

(b) With a release signed by the applicant, any North Carolina law enforcement agency or any entity maintaining records of a law enforcement agency that previously employed the applicant shall grant access to and may, if requested, provide a copy of the applicant's complete personnel file, including confidential information as defined by G.S. 153A-98, 160A-168, and 126-24 to the law enforcement agency considering the applicant for employment.

(c) To the extent that confidential information as defined by G.S. 153A-98, 160A-168, or 126-24 is maintained in the personnel file of any law enforcement agency or entity maintaining records of a law enforcement agency that previously employed the applicant, that information shall remain confidential in the files of any law enforcement agency obtaining the information pursuant to this section.

(d) A law enforcement agency, any entity maintaining records of a law enforcement agency, and the personnel of such agency or entity providing or receiving access to or copies of an applicant's personnel file pursuant to subsections (a) and (b) of this section shall not be held civilly or criminally liable for doing so.

Chapter 17E.
North Carolina Sheriffs' Education and Training Standards Commission.

...

Article 2.
Justice Officers.

...

§ 17E-7.1. Transfer of certified law enforcement officers. (Effective July 2, 2025)

(a) Notwithstanding any other provision of law, a sheriff considering an applicant for employment as a deputy sheriff shall request access to and review the complete personnel file of the applicant maintained by or on behalf of any North Carolina law enforcement agency where the applicant was employed for any part of the five-year period preceding the current application.

(b) With a release signed by the applicant, any North Carolina law enforcement agency or any entity maintaining records of a law enforcement agency that previously employed the applicant shall grant access to and may, if requested, provide a copy of the applicant's complete personnel file, including confidential information as defined by G.S. 153A-98, 160A-168, and 126-24 to the sheriff's office considering the applicant for employment.

(c) To the extent that confidential information as defined by G.S. 153A-98, 160A-168, or 126-24 is maintained in the personnel file of any law enforcement agency or entity maintaining records of a law enforcement agency that previously employed the applicant, that information shall remain confidential in the files of any sheriff's office obtaining the information pursuant to this section.

(d) A law enforcement agency, any entity maintaining records of a law enforcement agency, and the personnel of such law enforcement agency or entity providing or receiving access to or copies of an applicant's personnel file pursuant to subsections (a) and (b) of this section shall not be held civilly or criminally liable for doing so.

Rulemaking Exception for Human Resources
(N.C.G.S. § 150B-2(8a)(i), effective July 1, 2025, and § 150B-18)

Chapter 150B.
Administrative Procedure Act.

Article 1.
General Provisions.

...

§ 150B-2. Definitions.

As used in this Chapter, the following definitions apply:

(8a) Rule. – Any agency regulation, standard, or statement of general applicability that implements or interprets an enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency. The term includes the establishment of a fee and the amendment or repeal of a prior rule. The term does not include the following:

…

i. Job classification standards, job qualifications, salaries, and policies established for State and local government positions under the jurisdiction of the State Human Resources Commission, so long as those standards, qualifications, salaries, and policies directly affect only applicants for employment, current employees, or the resolution of matters related to past employment.

...

Article 2A.
Rules.

§ 150B-18. Scope and effect.

This Article applies to an agency's exercise of its authority to adopt a rule. A rule is not valid unless it is adopted in substantial compliance with this Article. An agency shall not seek to implement or enforce against any person a policy, guideline, or other interpretive statement that meets the definition of a rule contained in G.S. 150B-2(8a) if the policy, guideline, or other interpretive statement has not been adopted as a rule in accordance with this Article.

Authority of Agency Head to Set HR Policies (N.C.G.S. § 143B-10(j)(3))

Chapter 143B.
Executive Organization Act of 1973.
Article 1.
General Provisions

...

§ 143B-10. Powers and duties of heads of principal departments.

...

(e) Departmental Management Functions. - All management functions of a principal State department shall be performed by or under the direction and supervision of the head of that principal State department. Management functions shall include planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

...

(j) Departmental Rules and Policies. - The head of each principal State department and the Director of the Office of State Human Resources may adopt:

(1) Rules consistent with law for the custody, use, and preservation of any public records, as defined in G.S. 132-1, which pertain to department business;

(2) Rules, approved by the Governor, to govern the management of the department, which shall include the functions of planning, organizing,

staffing, directing, coordinating, reporting, budgeting, and budget preparation which affect private rights or procedures available to the public;

(3) Policies, consistent with law and with rules established by the Governor and with rules of the State Human Resources Commission, which reflect internal management procedures within the department. These may include policies governing the conduct of employees of the department, the distribution and performance of business and internal management procedures which do not affect private rights or procedures available to the public and which are listed in (e) of this section. Policies establishing qualifications for employment shall be adopted and filed pursuant to Chapter 150B of the General Statutes; all other policies under this subdivision shall not be adopted or filed pursuant to Chapter 150B of the General Statutes.

Rules adopted under (1) and (2) of this subsection shall be subject to the provisions of Chapter 150B of the General Statutes.

This subsection shall not be construed as a legislative grant of authority to an agency to make and promulgate rules concerning any policies and procedures other than as set forth herein.

Uncodified Sections of Session Law 2025-34 (State Hiring Accessibility and Modernization)

Section 8 of Session Law 2025-34 (Effective July 1, 2025)

BUILD NEW PERFORMANCE MANAGEMENT AND EVALUATION SYSTEM

SECTION 8.(a) The Office of State Human Resources shall submit to the State Human Resources Commission and the Governor an improved process for performance management. The State Human Resources Commission, subject to the approval of the Governor, shall adopt a new performance management and performance evaluation policy by March 15, 2026.

SECTION 8.(b) The State Human Resources Commission's existing rules on performance management and performance evaluation are repealed when this act becomes law.

Section 12 of Session Law 2025-34 (Effective July 1, 2025)

MODERNIZE AND SIMPLIFY THE STATE HUMAN RESOURCES ACT

SECTION 12. By March 15, 2026, the Office of State Human Resources (OSHR) shall submit a report to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division with recommended changes to Chapter 126 of the General Statutes to modernize the North Carolina Human Resources Act, simplify its provisions, and align it with contemporary human resources best practices. At a minimum, the report shall address legislative changes needed to:

(1) Streamline hiring processes.

(2) Enhance recruitment strategies and increase the attractiveness of State government employment.

(3) Develop and maintain a high-quality, well-trained State workforce.

(4) Improve State employee retention rates.

The OSHR shall collaborate with State agencies, local governments, and other relevant stakeholders to develop these legislative proposals.

Section 13 of Session Law 2025-34 (Effective July 1, 2025)

REPEAL OR AMEND RULES

SECTION 13. The State Human Resources Commission shall repeal or amend its rules to make changes that are consistent with this act, utilizing temporary rulemaking where necessary.

Review of Each Agency, Including Vacant Positions, by Division of Accountability, Value, and Efficiency in Office of State Auditor (Session Law 2025-89, Section 2E.2)

Section 2E.2.(c)-(e) of Session Law 2025-89 (Effective August 6, 2025)

...

SECTION 2E.2.(c) No later than October 1, 2025, every State agency shall report to the Division both of the following:

(1) An explanation of how the agency, including each division or office within that agency, utilizes public monies to execute its powers and duties under law.

(2) A description of all positions within that agency that have remained vacant for six months or more as of the effective date of this section. The description shall include the original position vacancy dates, the dates of any postings or repostings of the positions, and an explanation for the length of the vacancies.

SECTION 2E.2.(d) The Division shall assess the continued need for each State agency and the vacant positions within each agency. The assessment shall be based on a review of the reports submitted pursuant to this section and any other information the Division deems relevant. In gathering and assessing relevant information, the Division may consult with the Joint Legislative Commission on Governmental Operations. The Division may also employ individuals to utilize artificial intelligence and other appropriate tools for the purpose of examining any of the following with respect to State agencies and their budgets:

(1) Amounts spent, including the entities receiving funds and the intended purpose of the amounts spent.

(2) The effectiveness of any amount spent in achieving the intended purpose of that spending.

(3) Duplicative spending.

(4) Any other factor demonstrating the fiscal soundness or effectiveness of the State agency or lack thereof.

SECTION 2E.2.(e) No later than December 31, 2025, the Division shall report the results of the assessment conducted pursuant to this section to the General Assembly. The Division's report shall include, at minimum, recommendations on both of the following:

(1) Any State agencies, or any divisions or offices within a State agency, that should be dissolved based on the Division's assessment.

(2) Any State agency positions that should be eliminated based on the Division's assessment.

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Uncodified Human Resources Act Exception for Department of Labor Attorneys (Session Law 2025-92, Section 4.2)

Section 4.2.(a) of Session Law 2025-92 (Became law September 30, 2025, effective retroactively to July 1, 2025)

...

SECTION 4.2.(a) There is appropriated from the General Fund to the Department of Labor the sum of six hundred fifty thousand dollars ($650,000) in recurring funds for the 2025-2026 fiscal year and the sum of six hundred fifty thousand dollars ($650,000) in recurring funds for the 2026-2027 fiscal year for three full-time equivalent attorney positions. These positions shall be designated as exempt policy-making positions of the Commissioner of Labor, not subject to the limitations under G.S. 126-5(d)(2).

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