



This FAQ has been developed to answer questions you may have about the Lake case. For additional information, please follow NCRGEA on its website, on Twitter and Facebook, and consult the following website: lakeclasscase.com

What is the Lake case all about? What did the NC Supreme Court do?

The Lake case is a civil lawsuit to restore contractually and constitutionally guaranteed non-contributory retirement health benefits. In 2011, the General Assembly passed a law requiring retirees to pay premiums to keep an 80/20 plan. This lawsuit was filed to have the non-contributory 80/20 benefits restored. On March 11, the NC Supreme Court held that eligible State employees have a vested right in a noncontributory health plan for life. This Association has worked with the Gray Layton Kersh law firm in Gastonia for over 10 years to bring about this result.

How will this decision benefit me?

This decision means that all eligible vested retirees are entitled for life to have non-contributory health benefits in retirement that they were promised at the time they vested.

For those who paid premiums after 2011 to obtain the 80/20 plan, the case is going back to the trial court to determine whether the State breached the contract of a retiree, and if so, how much was the retiree damaged.

What happens next in the case?

The Supreme Court ordered that the case be returned to the trial court to determine the value of the different health insurance plans in place when retirees vested in those benefits, and potential differences in that value compared with subsequent health insurance benefits offered by the State.

It is not yet known how long that will take.

Will retirees be reimbursed for the funds they have paid for their health insurance since their retirement?

This is a question that will be resolved when the case goes back to the trial court.



Will this ruling have any impact on the Humana plan now being offered by the State?

We do not currently have that answer. This and similar issues will be addressed as the case goes back to the trial court.

How many retirees are affected by this ruling? Does it affect retirees of local government?

This case is a class action. There are approximately 220,000 persons in the class, composed of state retirees who vested in retirement health benefits and certain surviving spouses. They are members of the N. C. State Health Plan. Persons who retired from a local government under LGERS and are members of a local government health plan are not affected by this case. Retirees who retired after 2011 are not presently members of the class as the class was set-up and defined as of that date. There has not yet been a determination made as to whether retirees who retired after 2011 will be later included or how their rights might be affected by this case.

How can I learn more about the case?

The attorneys representing the retirees, Gray, Layton, Kersh, Solomon, Furr and Smith, have a website dedicated solely to this case. It can be found at lakeclasscase.com More information will become available later as the case makes its way back to the trial court and you can periodically check the website for further updates as they become available.