

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 1331  
Committee Substitute Favorable 6/25/01**

Short Title: Retired School Emp'ees Return to Schools.

(Public)

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Sponsors:

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Referred to:

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April 12, 2001

A BILL TO BE ENTITLED

1  
2 AN ACT TO SHORTEN THE AMOUNT OF TIME RETIRED TEACHERS MUST  
3 BE RETIRED BEFORE RETURNING TO WORK WITHOUT LOSING  
4 RETIREMENT BENEFITS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 135-3(8)c., as enacted by Section 28.24(a) of S.L.  
7 1998-212, and rewritten by Section 67 of S.L. 1998-217 and by Section 8.24(a) of S.L.  
8 2000-67, reads as rewritten:

9 "c. **(Effective until June 30, 2003)** Should a beneficiary who  
10 retired on an early or service retirement allowance under this  
11 Chapter be reemployed, or otherwise engaged to perform  
12 services, by an employer participating in the Retirement System  
13 on a part-time, temporary, interim, or on a fee-for-service basis,  
14 whether contractual or otherwise, and if such beneficiary earns  
15 an amount in any calendar year which exceeds fifty percent  
16 (50%) of the reported compensation, excluding terminal  
17 payments, during the 12 months of service preceding the  
18 effective date of retirement, or twenty thousand dollars  
19 (\$20,000), whichever is greater, as hereinafter indexed, then the  
20 retirement allowance shall be suspended as of the first day of  
21 the month following the month in which the reemployment  
22 earnings exceed the amount above, for the balance of the  
23 calendar year. The retirement allowance of the beneficiary shall  
24 be reinstated as of January 1 of each year following suspension.  
25 The amount that may be earned before suspension shall be  
26 increased on January 1 of each year by the ratio of the  
27 Consumer Price Index to the Index one year earlier, calculated  
28 to the nearest tenth of a percent (1/10 of 1%).

1           The computation of postretirement earnings of a beneficiary  
2           under this sub-subdivision, G.S. 135-3(8)c., who has been  
3           retired at least ~~12~~ four months and has not been employed in  
4           any capacity, except as a substitute teacher, with a public school  
5           for at least ~~12~~ four months immediately preceding the effective  
6           date of reemployment, shall not include earnings while the  
7           beneficiary is employed to teach on a substitute, interim, or  
8           permanent basis in a public school. The Department of Public  
9           Instruction shall certify to the Retirement System that a  
10          beneficiary is employed to teach by a local school  
11          administrative unit under the provisions of this sub-subdivision  
12          and as a retired teacher as the term is defined under the  
13          provisions of G.S. 115C-325(a)(5a). Beneficiaries employed  
14          under this sub-subdivision are not entitled to any benefits  
15          otherwise provided under this Chapter as a result of this period  
16          of employment."

17          **SECTION 2.** G.S. 115C-325(a)(5a), as enacted by Section 28.24(b) of S.L.  
18          1998-212 and rewritten by Section 67.1(a) of S.L. 1998-217, reads as rewritten:

19          "(a) Definition of Terms. – As used in this section unless the context requires  
20          otherwise:

21                 ...

22          (5a) **(Effective until June 30, 2003)** "Retired teacher" means a beneficiary  
23          of the Teachers' and State Employees' Retirement System of North  
24          Carolina who has been retired at least ~~12~~ four months, has not been  
25          employed in any capacity, other than as a substitute teacher, with a  
26          local board of education for at least ~~12~~ four months, immediately  
27          preceding the effective date of reemployment, is determined by a local  
28          board of education to have had satisfactory performance during the last  
29          year of employment by a local board of education, and who is  
30          employed to teach as provided in G.S. 135-3(8)c. A retired teacher  
31          shall be treated the same as a probationary teacher except that a retired  
32          teacher is not eligible for career status."

33          **SECTION 3.** This act becomes effective July 1, 2001, and expires June 30,  
34          2003.