

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1499

Short Title: Retired Teachers Changes. (Public)

Sponsors: Representatives Yongue, Warner (Primary Sponsors); Bell, Gorman, Insko, Pate, Sauls, Tolson, B. Allen, L. Allen, Allred, Blackwood, Bonner, Coates, Culp, Dickson, Fox, Frye, Glazier, Hilton, Jeffus, Lewis, Lucas, McLawhorn, Rapp, Steen, Wainwright, Warren, and A. Williams.

Referred to: Pensions and Retirement.

May 18, 2004

A BILL TO BE ENTITLED

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2 AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT
3 LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO MODIFY AND
4 EXTEND THE PROVISION THAT PERMITS RETIRED TEACHERS TO
5 RETURN TO THE CLASSROOM WITHOUT A LOSS OF RETIREMENT
6 BENEFITS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 135-3(8)c. reads as rewritten:

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

1 suspension shall be increased on January 1 of each year by the
2 ratio of the Consumer Price Index to the Index one year earlier,
3 calculated to the nearest tenth of a percent (1/10 of 1%).

4 The computation of postretirement earnings of a beneficiary
5 under this sub-subdivision, G.S. 135-3(8)c., who has been
6 retired at least six months and has not been employed in any
7 capacity, except as a substitute teacher or a part-time tutor, with
8 a public school for at least six months immediately preceding
9 the effective date of reemployment, shall not include earnings
10 while the beneficiary is employed ~~to teach~~ as a teacher, a
11 guidance counselor, or a media coordinator on a substitute,
12 interim, or permanent basis in a public school. The Department
13 of Public Instruction shall certify to the Retirement System that
14 a beneficiary is employed ~~to teach~~ by a local school
15 administrative unit under the provisions of this sub-subdivision
16 and as a retired ~~teacher~~ educator as the term is defined under the
17 provisions of G.S. 115C-325(a)(5a).

18 Beneficiaries employed under this sub-subdivision are not
19 entitled to any benefits otherwise provided under this Chapter
20 as a result of this period of employment."

21 **SECTION 2.** G.S. 115C-325(a)(5a) reads as rewritten:

22 "(5a) "Retired ~~teacher~~" educator" means a beneficiary of the Teachers' and
23 State Employees' Retirement System of North Carolina who has been
24 retired at least six months, has not been employed in any capacity,
25 other than as a substitute teacher or a part-time tutor, with a local
26 board of education for at least six months, immediately preceding the
27 effective date of reemployment, is determined by a local board of
28 education to have had satisfactory performance during the last year of
29 employment by a local board of education, and who is employed ~~to~~
30 ~~teach~~ as provided in G.S. 135-3(8)c. A retired ~~teacher~~ educator who is
31 a teacher shall be treated the same as a probationary teacher except
32 that (i) a retired teacher is not eligible for career status and (ii) the
33 performance of a retired teacher who had attained career status prior to
34 retirement shall be evaluated in accordance with a local board of
35 education's policies and procedures applicable to career teachers."

36 **SECTION 3.** G.S. 115C-316(d) reads as rewritten:

37 "(d) A local board of education may pay a retired ~~teacher~~, educator, as that term is
38 defined in G.S. 115C-325(a)(5a) no more than the employee would have received on the
39 ~~teacher~~ appropriate salary schedule, excluding longevity, had the employee not retired."

40 **SECTION 4.** Subsection (d) of Section 28.24 of S.L. 1998-212, as rewritten
41 by Section 28.10 of S.L. 2002-126, reads as rewritten:

42 "(d) This section becomes effective January 1, 1999, and expires June 30, ~~2004~~
43 2010."

1 **SECTION 5.** The introductory language of Section 67 of S.L. 1998-217, as
2 rewritten by Section 28.10 of S.L. 2002-126, reads as rewritten:

3 **"SECTION 67.** Effective January 1, 1999, through June 30, ~~2004,~~2010,
4 G.S. 135-3(8)c., as rewritten by Section 28.24(a) of S.L. 1998-212 reads as rewritten:"

5 **SECTION 6.** Subsection (b) of Section 67.1 of S.L. 1998-217, as rewritten
6 by Section 28.10 of S.L. 2002-126, reads as rewritten:

7 "(b) This section becomes effective January 1, 1999, and expires June 30,
8 ~~2004,~~2010."

9 **SECTION 7.** Subsection (c) of Section 32.25 of S.L. 2001-424, as rewritten
10 by Section 28.10 of S.L. 2002-126, reads as rewritten:

11 **"SECTION 32.25.(c)** This section becomes effective July 1, 2001, and expires June
12 30, ~~2004,~~2010."

13 **SECTION 8.** This act becomes effective July 1, 2004.