

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 219*

Short Title: Modify Retired Teacher Option. (Public)

Sponsors: Representatives Glazier; B. Allen, G. Allen, L. Allen, Bordsen, Carney, Church, Goforth, Goodwin, Gorman, Harrell, Hunter, LaRoque, Lucas, McLawhorn, Miller, Setzer, and Warren.

Referred to: Education, if favorable, Pensions & Retirement.

March 5, 2003

A BILL TO BE ENTITLED

AN ACT TO MODIFY AND MAKE PERMANENT THE OPTION FOR RETIRED
TEACHERS TO RETURN TO THE CLASSROOM WITHOUT LOSS OF
RETIREMENT BENEFITS.

The General Assembly of North Carolina enacts:

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

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

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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 ~~six~~ two months and has not been employed in
4 any capacity, except as a substitute teacher or a part-time tutor,
5 with a public school for at least ~~six~~ two months immediately
6 preceding the effective date of reemployment, shall not include
7 earnings while the beneficiary is employed to teach on a
8 substitute, interim, or permanent basis in a public school. The
9 Department of Public Instruction shall certify to the Retirement
10 System that a 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).

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

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

18 "(5a) "Retired teacher" means a beneficiary of the Teachers' and State
19 Employees' Retirement System of North Carolina who has been retired
20 at least ~~six~~two months, has not been employed in any capacity, other
21 than as a substitute teacher or a part-time tutor, with a local board of
22 education for at least ~~six~~two months, immediately preceding the
23 effective date of reemployment, is determined by a local board of
24 education to have had satisfactory performance during the last year of
25 employment by a local board of education, and who is employed to
26 teach as provided in G.S. 135-3(8)c. A retired teacher shall be treated
27 the same as a probationary teacher except that (i) a retired teacher is
28 not eligible for career status and (ii) the performance of a retired
29 teacher who had attained career status prior to retirement shall be
30 evaluated in accordance with a local board of education's policies and
31 procedures applicable to career teachers."

32 **SECTION 3.** Subsection (d) of Section 28.24 of S.L. 1998-212, as rewritten
33 by Section 28.10 of S.L. 2002-126, reads as rewritten:

34 "(d) This section becomes effective January 1, ~~1999, and expires June 30, 2004.~~
35 1999."

36 **SECTION 4.** The introductory language of Section 67 of S.L. 1998-217, as
37 rewritten by Section 28.10 of S.L. 2002-126, reads as rewritten:

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

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

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

- 1 **SECTION 6.** Subsection (c) of Section 32.25 of S.L. 2001-424, as rewritten
2 by Section 28.10 of S.L. 2002-126, reads as rewritten:
3 "**SECTION 32.25.**(c) This section becomes effective July 1, 2001, and expires June
4 30, 2004. 2001."
5 **SECTION 7.** This act becomes effective July 1, 2003.