

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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**SENATE BILL 10
Education/Higher Education Committee Substitute Adopted 4/10/03**

Short Title: Modify Retired Educator Option.

(Public)

Sponsors:

Referred to:

February 10, 2003

A BILL TO BE ENTITLED

1 AN ACT TO MODIFY AND MAKE PERMANENT THE OPTION FOR RETIRED
2 EDUCATORS TO RETURN TO THE PUBLIC SCHOOLS WITHOUT LOSS OF
3 RETIREMENT BENEFITS.
4

5 The General Assembly of North Carolina enacts:

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

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

28 The computation of postretirement earnings of a beneficiary
29 under this sub-subdivision, G.S. 135-3(8)c., who has been

1 retired at least ~~six~~ two months and has not been employed in
2 any capacity, except as a substitute teacher or a part-time tutor,
3 with a public school for at least ~~six~~ two months immediately
4 preceding the effective date of reemployment, shall not include
5 earnings while the beneficiary is employed ~~to teach~~ as a teacher,
6 a principal, an assistant principal, or in an instructional support
7 personnel position on a substitute, interim, or permanent basis
8 in a public school. The Department of Public Instruction shall
9 certify to the Retirement System that a beneficiary is employed
10 ~~to teach~~ by a local school administrative unit under the
11 provisions of this sub-subdivision and as a retired ~~teacher~~
12 educator as the term is defined under the provisions of G.S.
13 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~~" educator" means a beneficiary of the Teachers' and
19 State Employees' Retirement System of North Carolina who has been
20 retired at least ~~six~~two months, has not been employed in any capacity,
21 other than as a substitute teacher or a part-time tutor, with a local
22 board of education for at least ~~six~~two months, immediately preceding
23 the 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~~ educator who is
27 a teacher shall be treated the same as a probationary teacher except
28 that (i) a retired teacher is not eligible for career status and (ii) the
29 performance of a retired teacher who had attained career status prior to
30 retirement shall be evaluated in accordance with a local board of
31 education's policies and procedures applicable to career teachers."

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

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

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

38 "(d) This section becomes effective January 1, ~~1999, and expires June 30, 2004.~~
39 1999."

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

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

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

3 "(b) This section becomes effective January 1, ~~1999, and expires June 30, 2004.~~
4 1999."

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

7 "**SECTION 32.25.(c)** This section becomes effective July 1, ~~2001, and expires June~~
8 ~~30, 2004.~~ 2001."

9 **SECTION 8.** This act becomes effective July 1, 2003.