

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

H

2

**HOUSE BILL 59
Committee Substitute Favorable 6/1/05**

Short Title: Retired School Professionals Return to Work.

(Public)

Sponsors:

Referred to:

February 3, 2005

A BILL TO BE ENTITLED

1 AN ACT TO ENABLE RETIRED SCHOOL GUIDANCE COUNSELORS, MEDIA
2 SPECIALISTS, AND PSYCHOLOGISTS TO RETURN TO EMPLOYMENT
3 WITH THE PUBLIC SCHOOLS WITHOUT LOSING 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 months and has not been employed in any
 2 capacity, except as a substitute teacher or a ~~part-time tutor,~~
 3 other substitute employee, with a public school for at least six
 4 months immediately preceding the effective date of
 5 reemployment, shall not include earnings while the beneficiary
 6 is employed to teach on a substitute, interim, or permanent basis
 7 in a public school. The Department of Public Instruction shall
 8 certify to the Retirement System that a beneficiary is employed
 9 ~~to teach~~ by a local school administrative unit under the
 10 provisions of this sub-subdivision and as a retired ~~teacher~~
 11 professional educator as the term is defined under the
 12 provisions of G.S. 115C-325(a)(5a).

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

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

17 "(5a) "Retired ~~teacher~~ professional educator" means a beneficiary of the
 18 Teachers' and State Employees' Retirement System of North Carolina
 19 ~~who~~ who:

- 20 a. Was previously employed as a (i) teacher, (ii) school guidance
 21 counselor, (iii) school media specialist, or (iv) school
 22 psychologist,
 23 b. ~~has~~ Has been retired at least six months,
 24 c. ~~has~~ Has not been employed in any capacity, other than as a
 25 substitute ~~teacher or a part-time tutor,~~ teacher or other substitute
 26 employee, with a local board of education for at least six
 27 months, immediately preceding the effective date of
 28 reemployment,
 29 d. ~~is~~ Is determined by a local board of education to have had
 30 satisfactory performance during the last year of employment by
 31 a local board of education, and
 32 e. ~~who~~ Who is employed ~~to teach~~ as provided in G.S. 135-3(8)c.

33 A retired ~~teacher~~ professional educator who is a teacher as defined
 34 in subdivision (6) of this subsection shall be treated the same as a
 35 probationary teacher except that (i) a retired ~~teacher~~ professional
 36 educator is not eligible for career status and (ii) the performance of a
 37 retired ~~teacher~~ professional educator who had attained career status
 38 prior to retirement shall be evaluated in accordance with a local board
 39 of education's policies and procedures applicable to career teachers."

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

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

1 **SECTION 4.** Subsection (d) of Section 28.24 of S.L. 1998-212, as rewritten
2 by Section 28.10 of S.L. 2002-126 and by Section 31.18A of S.L. 2004-124, reads as
3 rewritten:

4 "(d) This section becomes effective January 1, 1999, and expires June 30, ~~2005-~~
5 2006."

6 **SECTION 5.** The introductory language of Section 67 of S.L. 1998-217, as
7 rewritten by Section 28.10 of S.L. 2002-126 and by Section 31.18A of S.L. 2004-124,
8 reads as rewritten:

9 "**SECTION 67.** Effective January 1, 1999, through June 30, ~~2005,—2006,~~
10 G.S. 135-3(8)c., as rewritten by Section 28.24(a) of S.L. 1998-212 reads as rewritten:".

11 **SECTION 6.** Subsection (b) of Section 67.1 of S.L. 1998-217, as rewritten
12 by Section 28.10 of S.L. 2002-126 and by Section 31.18A of S.L. 2004-124, reads as
13 rewritten:

14 "(b) This section becomes effective January 1, 1999, and expires June 30, ~~2005-~~
15 2006."

16 **SECTION 7.** Subsection (c) of Section 32.25 of S.L. 2001-424, as rewritten
17 by Section 28.10 of S.L. 2002-126 and by Section 31.18A of S.L. 2004-124, reads as
18 rewritten:

19 "**SECTION 32.25.(c)** This section becomes effective July 1, 2001, and expires June
20 30, ~~2005.~~ 2006."

21 **SECTION 8.** Notwithstanding any other provision of law, each local school
22 administrative unit shall pay to the Teachers' and State Employees' Retirement System a
23 Reemployed Teacher Contribution Rate of eleven and seventy-hundredths percent
24 (11.70%) as a percentage of covered salaries that the retired professional educators, who
25 are exempt from the earnings cap, are being paid. Each local school administrative unit
26 shall report monthly to the Retirement Systems Division on payments made pursuant to
27 this subsection.

28 Notwithstanding any other provision of law, any portion of the payment made
29 by a local school administrative unit to a reemployed professional educator who is
30 exempt from the earnings cap, consisting of salary plus the Reemployed Teacher
31 Contribution Rate, that exceeds the State-supported salary level for that position, shall
32 be paid from local funds.

33 **SECTION 9.** This act becomes effective June 30, 2005.