

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

**H**

**1**

**HOUSE BILL 701**

Short Title: Retired School Professionals Return to Work. (Public)

---

Sponsors: Representatives Faison; Adams, Brown, Farmer-Butterfield, Frye, Pate, and Wainwright.

---

Referred to: Pensions and Retirement.

---

March 17, 2005

A BILL TO BE ENTITLED

1 AN ACT TO ENABLE RETIRED SCHOOL PRINCIPALS, ASSISTANT  
2 PRINCIPALS, AND CENTRAL OFFICE ADMINISTRATIVE PERSONNEL TO  
3 RETURN TO EMPLOYMENT WITH THE PUBLIC SCHOOLS WITHOUT  
4 LOSING RETIREMENT BENEFITS.  
5

6 The General Assembly of North Carolina enacts:

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

8 "c. Should a beneficiary who retired on an early or service  
9 retirement allowance under this Chapter be reemployed, or  
10 otherwise engaged to perform services, by an employer  
11 participating in the Retirement System on a part-time,  
12 temporary, interim, or on a fee-for-service basis, whether  
13 contractual or otherwise, and if such beneficiary earns an  
14 amount during the 12-month period immediately following the  
15 effective date of retirement or in any calendar year which  
16 exceeds fifty percent (50%) of the reported compensation,  
17 excluding terminal payments, during the 12 months of service  
18 preceding the effective date of retirement, or twenty thousand  
19 dollars (\$20,000), whichever is greater, as hereinafter indexed,  
20 then the retirement allowance shall be suspended as of the first  
21 day of the month following the month in which the  
22 reemployment earnings exceed the amount above, for the  
23 balance of the calendar year. The retirement allowance of the  
24 beneficiary shall be reinstated as of January 1 of each year  
25 following suspension. The amount that may be earned before  
26 suspension shall be increased on January 1 of each year by the  
27 ratio of the Consumer Price Index to the Index one year earlier,  
28 calculated 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 six months and has not been employed in any  
 4           capacity, except as a substitute teacher or ~~a part-time tutor,~~  
 5           ~~other substitute employee,~~ with a public school for at least six  
 6           months immediately preceding the effective date of  
 7           reemployment, shall not include earnings while the beneficiary  
 8           is employed to teach on a substitute, interim, or permanent basis  
 9           in a public school. The Department of Public Instruction shall  
 10          certify to the Retirement System that a beneficiary is employed  
 11          ~~to teach~~ by a local school administrative unit under the  
 12          provisions of this sub-subdivision and as a retired teacher or  
 13          school administrative personnel as the term is defined under the  
 14          provisions of G.S. 115C-325(a)(5a).

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

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

19          "(5a) "Retired teacher or school administrative personnel" means a  
 20          beneficiary of the Teachers' and State Employees' Retirement System  
 21          of North Carolina ~~who~~ who:

- 22          a.       Was previously employed as a teacher, principal, assistant  
 23          principal, or as central office administrative personnel,  
 24          b.       ~~has~~ Has been retired at least six months,  
 25          c.       ~~has~~ Has not been employed in any capacity, other than as a  
 26          substitute ~~teacher or a part-time tutor,~~ teacher or other substitute  
 27          employee, with a local board of education for at least six  
 28          months, immediately preceding the effective date of  
 29          reemployment,  
 30          e.       ~~is~~ Is determined by a local board of education to have had  
 31          satisfactory performance during the last year of employment by  
 32          a local board of education or a charter school, and  
 33          f.       ~~who~~ Who is employed ~~to teach~~ as provided in G.S. 135-3(8)c.

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

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

40          "(d) A local board of education may pay a retired ~~teacher~~ teachers and retired  
 41          school administrative personnel, as ~~that term is~~ those terms are defined in  
 42          G.S. 115C-325(a)(5a) no more than the ~~employee~~ employees would have received on  
 43          the ~~teacher~~ appropriate salary schedule, excluding longevity, had the ~~employee~~  
 44          employees 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.** This act becomes effective June 30, 2005.