

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH10431-LL-360 (5/17)

Short Title: Certain Principals Return to Work.

(Public)

Sponsors: Representative Yongue.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ENABLE RETIRED HIGH SCHOOL PRINCIPALS TO RETURN TO
EMPLOYMENT AS PRINCIPALS OF "PRIORITY" HIGH SCHOOLS
WITHOUT LOSING RETIREMENT BENEFITS.

Whereas, it is critical to the success of priority high schools that they be
supplied with the most highly qualified principals; and

Whereas, retired principals with the highest qualifications should be allowed
to return to work without losing their retirement benefits in order to fill that critical
need; Now, therefore,

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 by, or
otherwise engaged to perform services for, 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, except when the reemployment

1 earnings exceed the amount above in the month of December,
2 in which case the retirement allowance shall not be suspended.
3 The retirement allowance of the beneficiary shall be reinstated
4 as of January 1 of each year following suspension. The amount
5 that may be earned before suspension shall be increased on
6 January 1 of each year by the ratio of the Consumer Price Index
7 to the Index one year earlier, calculated to the nearest tenth of a
8 percent (1/10 of 1%).

9 The computation of postretirement earnings of a beneficiary
10 under this sub-subdivision, who retired on or before October 1,
11 2007, and who has been retired at least six months and has not
12 been employed in any capacity with a public school for at least
13 six months immediately preceding the effective date of
14 reemployment, shall not include earnings while the beneficiary
15 is employed to teach in a permanent full-time or part-time
16 capacity that exceeds fifty percent (50%) of the applicable
17 workweek in a public school. The Department of Public
18 Instruction shall certify to the Retirement System that a
19 beneficiary is employed to teach by a local school
20 administrative unit under the provisions of this sub-subdivision
21 and as a retired teacher as the term is defined under the
22 provisions of G.S. 115C-325(a)(5a).

23 The computation of postretirement earnings of a beneficiary
24 under this sub-subdivision, who retired after October 1, 2007,
25 after attaining (i) the age of at least 65 with five years of
26 creditable service; or (ii) the age of at least 60 with 25 years of
27 creditable service; or (iii) 30 years of service; and who has been
28 retired at least six months and has not been employed in any
29 capacity with a public school for at least six months
30 immediately preceding the effective date of reemployment,
31 shall not include earnings while the beneficiary is employed to
32 teach or serve as a high school principal in a 'priority' high
33 school in a permanent full-time or part-time capacity that
34 exceeds fifty percent (50%) of the applicable workweek in a
35 public school. The Department of Public Instruction shall
36 certify to the Retirement System that a beneficiary is employed
37 to teach by a local school administrative unit under the
38 provisions of this sub-subdivision and as a retired teacher as the
39 term is defined under the provisions of G.S. 115C-325(a)(5a).
40 The Department of Public Instruction shall certify to the
41 Retirement System that a beneficiary is employed to serve as a
42 high school principal in a 'priority' high school by a local school
43 administrative unit under the provisions of this sub-division and
44 that the beneficiary has also met requirements established by

1 the North Carolina State Board of Education to ensure that only
2 the most highly qualified retired high school principals are
3 allowed to return to work as principal of a 'priority' high school.

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

7 **SECTION 2.** This act becomes effective July 1, 2008.