

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE DRS85006-LL-14 (12/21)**

Short Title: Hiring of Retired Teachers. (Public)

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Sponsors: Senator Pittenger.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO REDUCE THE WAITING PERIOD FOR RETIRED TEACHERS RETURNING TO THE CLASSROOM WITHOUT LOSS OF BENEFITS, TO REMOVE THE SUNSET ON ALLOWING TEACHERS TO RETURN TO THE CLASSROOM WITHOUT LOSS OF BENEFITS, AND TO DIRECT THE RETIREMENT SYSTEMS DIVISION TO STUDY THE FEASIBILITY OF ESTABLISHING INNOVATIVE PROGRAMS FOR RETIRED TEACHERS THAT SUPPORT THEIR RETURN TO WORK AND REDUCE CLASSROOM TEACHER SHORTAGES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 135-1(20) reads as rewritten:

"(20) "Retirement" means the termination of employment and the complete separation from active service with no intent or agreement, express or implied, to return to service. A retirement allowance under the provisions of this Chapter may only be granted upon retirement of a member. ~~It~~ Except as otherwise provided in G.S. 135-3(8)c., in order for a member's retirement to become effective in any month, the member must render no service, including part-time, temporary, substitute, or contractor service, at any time during the six months immediately following the effective date of retirement."

**SECTION 2.** 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

1 amount during the 12-month period immediately following the  
2 effective date of retirement or in any calendar year which  
3 exceeds fifty percent (50%) of the reported compensation,  
4 excluding terminal payments, during the 12 months of service  
5 preceding the effective date of retirement, or twenty thousand  
6 dollars (\$20,000), whichever is greater, as hereinafter indexed,  
7 then the retirement allowance shall be suspended as of the first  
8 day of the month following the month in which the  
9 reemployment earnings exceed the amount above, for the  
10 balance of the calendar year. The retirement allowance of the  
11 beneficiary shall be reinstated as of January 1 of each year  
12 following suspension. The amount that may be earned before  
13 suspension shall be increased on January 1 of each year by the  
14 ratio of the Consumer Price Index to the Index one year earlier,  
15 calculated to the nearest tenth of a percent (1/10 of 1%).

16 The computation of postretirement earnings of a beneficiary  
17 under this sub-subdivision, G.S. 135-3(8)c., who has ~~been~~  
18 ~~retired at least six months~~ and has not been employed in any  
19 capacity with a public school for at least ~~six months~~  
20 ~~immediately preceding the effective date of reemployment, 25~~  
21 ~~working days immediately following the effective date of~~  
22 ~~retirement~~, shall not include earnings while the beneficiary is  
23 employed to teach in a permanent full-time or part-time  
24 capacity that exceeds fifty percent (50%) of the applicable  
25 workweek in a public school. The Department of Public  
26 Instruction shall certify to the Retirement System that a  
27 beneficiary is employed to teach by a local school  
28 administrative unit under the provisions of this sub-subdivision  
29 and as a retired teacher as the term is defined under the  
30 provisions of G.S. 115C-325(a)(5a).

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

34 **SECTION 3.** Subsection (d) of Section 28.24 of S.L. 1998-212, as amended  
35 by Section 7A.1 of S.L. 2005-144, reads as rewritten:

36 "(d) This section becomes effective January 1, ~~1999, and expires June 30, 2007.~~  
37 1999."

38 **SECTION 4.** The introductory language of Section 67 of S.L. 1998-217, as  
39 amended by Section 7A.2 of S.L. 2005-144, reads as rewritten:

40 "**SECTION 67.** Effective January 1, 1999, ~~through June 30, 2007,~~ G.S. 135-3(8)c.,  
41 as rewritten by Section 28.24(a) of S.L. 1998-212 reads as rewritten:"

42 **SECTION 5.** Subsection (b) of Section 67.1 of S.L. 1998-217, as amended  
43 by Section 7A.3 of S.L. 2005-144, reads as rewritten:

1       "(b) This section becomes effective January 1, ~~1999, and expires June 30, 2007.~~  
2       1999."

3               **SECTION 6.** Subsection (c) of Section 32.25 of S.L. 2001-424, as amended  
4 by Section 7A.4 of S.L. 2005-144, reads as rewritten:

5       "**SECTION 32.25.(c)** This section becomes effective July 1, ~~2001, and expires June~~  
6 ~~30, 2007.~~ 2001."

7               **SECTION 7.** The Retirement Systems Division, Department of State  
8 Treasurer, shall study the feasibility of establishing innovative programs for retired  
9 teachers that support teachers' return to work in order to reduce classroom teacher  
10 shortages. The study shall include an examination of the feasibility of establishing a  
11 program similar to the deferred retirement option program established in Florida or the  
12 teacher and employee retention incentive program established in South Carolina. The  
13 Retirement Systems Division shall report the results of its study upon the convening of  
14 the 2008 Regular Session of the 2007 General Assembly.

15               **SECTION 8.** Sections 3 through 6 of this act become effective June 30,  
16 2007. The remainder of this act becomes effective July 1, 2007.