

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**HOUSE BILL 701
Committee Substitute Favorable 6/23/05**

Short Title: Retired School Professionals Return to Work.

(Public)

Sponsors:

Referred to:

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 capacity with a public school for at least six months
 6 immediately preceding the effective date of reemployment,
 7 shall not include earnings while the beneficiary is employed to
 8 teach on a substitute, interim, or permanent basis in a public
 9 school. The Department of Public Instruction shall certify to the
 10 Retirement System that a beneficiary is employed ~~to teach~~ by a
 11 local school administrative unit under the provisions of this
 12 sub-subdivision and as a retired teacher or school administrative
 13 personnel as the term is defined under the provisions of
 14 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,~~ capacity with a local
 27 board of education for at least six months, immediately
 28 preceding the effective date of 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 or a charter school, and
 32 e. ~~who~~ Who is employed ~~to teach~~ as provided in G.S. 135-3(8)c.

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

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

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