

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1147

Short Title: Increase Postretirement Cap.

(Public)

Sponsors: Representatives Michaux; and Wainwright.

Referred to: Pensions and Retirement.

April 15, 1999

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE MAXIMUM AMOUNT A RETIREE CAN EARN
BEFORE SUSPENSION OF THE RETIREE'S RETIREMENT ALLOWANCE.

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, 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 amount in any calendar year which exceeds ~~fifty percent (50%)~~ seventy-five percent (75%) 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. The retirement allowance of the beneficiary shall be reinstated as

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1 of January 1 of each year following suspension. The amount that
2 may be earned before suspension shall be increased on January 1
3 of each year by the ratio of the Consumer Price Index to the
4 Index one year earlier, calculated to the nearest tenth of a percent
5 (1/10 of 1%).

6 The computation of postretirement earnings of a beneficiary
7 under this sub-subdivision, G.S 135-3(8)c., who has been retired
8 at least 12 months and has not been employed in any capacity,
9 except as a substitute teacher, with a public school for at least 12
10 months, shall not include earnings while:

- 11 1. The beneficiary is employed to teach on a substitute or
12 interim basis, and not on a permanent basis, in a public
13 school;
- 14 2. The beneficiary is employed to teach in the teacher's area
15 of certification in a low-performing school. As used in
16 this sub-subdivision, a low-performing school is a public
17 elementary or middle school at which forty-eight percent
18 (48%) or more of the students were below grade level
19 during either of the prior two school years or a public high
20 school identified by the State Board of Education as low-
21 performing. If the designation of low-performing is
22 removed while the beneficiary is employed to teach at the
23 school, the provisions of this sub-subdivision apply for the
24 next two school years after the designation is removed; or
- 25 3. The beneficiary is employed to teach in a public school in
26 the teacher's area of certification in a geographical area in
27 which the State Board of Education determines that there
28 is a shortage of teachers in the beneficiary's area of
29 certification.

30 The Department of Public Instruction shall certify to the
31 Retirement System that a beneficiary is employed to teach by a
32 local school administrative unit under the provisions of this sub-
33 subdivision and as a retired teacher as the term is defined under
34 the provisions of G.S. 115C-325(a)(5a).

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

38 Section 2. This act becomes effective July 1, 1999.