

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 2381

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

Sponsors: Representatives Faison, B. Allen (Primary Sponsors); Coleman, Howard, Pierce, Underhill, Wainwright, and Womble.

Referred to: Pensions and Retirement.

May 23, 2006

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 with a public school for at least six months
 5 immediately preceding the effective date of reemployment,
 6 shall not include earnings while the beneficiary is employed to
 7 teach in a permanent full-time or part-time capacity that
 8 exceeds fifty percent (50%) of the applicable workweek in a
 9 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"teacher or 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 for at least six
 26 months, immediately preceding the effective date of
 27 reemployment,
 28 d. ~~is~~Is determined by a local board of education or a charter school
 29 to have had satisfactory performance during the last year of
 30 employment by a local board of education or a charter school,
 31 and
 32 e. ~~who~~Who is employed ~~to teach~~ as provided in G.S. 135-3(8)c.

33 A retired teacher at a school other than a charter school shall be
 34 treated the same as a probationary teacher except that (i) a retired
 35 teacher is not eligible for career status and (ii) the performance of a
 36 retired teacher who had attained career status prior to retirement shall
 37 be evaluated in accordance with a local board of education's policies
 38 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)~~ G.S. 115C-325(a)(5a), no more than the employee employees
 43 would have received on the ~~teacher~~ appropriate salary schedule, excluding longevity,
 44 had the ~~employee employees~~ employee employees not retired."

1 **SECTION 4.** Notwithstanding any other provision of law, each local school
2 administrative unit shall pay to the Teachers' and State Employees' Retirement System a
3 Reemployed Teacher Contribution Rate of eleven and seventy-hundredths percent
4 (11.70%) as a percentage of covered salaries that the retired professional educators, who
5 are exempt from the earnings cap, are being paid. Each local school administrative unit
6 shall report monthly to the Retirement Systems Division on payments made pursuant to
7 this section.

8 Notwithstanding any other provision of law, any portion of the payment made
9 by a local school administrative unit to a reemployed professional educator who is
10 exempt from the earnings cap, consisting of salary plus the Reemployed Teacher
11 Contribution Rate, that exceeds the State-supported salary level for that position, shall
12 be paid from local funds.

13 **SECTION 5.** This act becomes effective June 30, 2006.