

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

H

D

HOUSE DRH50163-LL-92 (3/21)

Short Title: Amend Retirees' Earnings Restriction.

(Public)

Sponsors: Representative Rapp.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO AMEND THE EARNINGS RESTRICTION ON RETIREES UNDER
3 THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND
4 THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM BY
5 ELIMINATING THE APPLICATION OF THE RESTRICTION TO THE
6 TWELVE-MONTH PERIOD IMMEDIATELY FOLLOWING THE DATE OF
7 RETIREMENT.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** G.S. 135-3(8)c. reads as rewritten:

10 "c. Should a beneficiary who retired on an early or service
11 retirement allowance under this Chapter be reemployed, or
12 otherwise engaged to perform services, by an employer
13 participating in the Retirement System on a part-time,
14 temporary, interim, or on a fee-for-service basis, whether
15 contractual or otherwise, and if such beneficiary earns an
16 amount ~~during the 12-month period immediately following the~~
17 ~~effective date of retirement~~ or in any calendar year which
18 exceeds fifty percent (50%) of the reported compensation,
19 excluding terminal payments, during the 12 months of service
20 preceding the effective date of retirement, or twenty thousand
21 dollars (\$20,000), whichever is greater, as hereinafter indexed,
22 then the retirement allowance shall be suspended as of the first
23 day of the month following the month in which the
24 reemployment earnings exceed the amount above, for the
25 balance of the calendar year. The retirement allowance of the
26 beneficiary shall be reinstated as of January 1 of each year
27 following suspension. The amount that may be earned before

1 suspension shall be increased on January 1 of each year by the
2 ratio of the Consumer Price Index to the Index one year earlier,
3 calculated to the nearest tenth of a percent (1/10 of 1%).

4 The computation of postretirement earnings of a beneficiary
5 under this sub-subdivision, G.S. 135-3(8)c., who has been
6 retired at least six months and has not been employed in any
7 capacity, except as a substitute teacher or a part-time tutor, with
8 a public school for at least six months immediately preceding
9 the effective date of reemployment, shall not include earnings
10 while the beneficiary is employed to teach on a substitute,
11 interim, or permanent basis in a public school. The Department
12 of Public Instruction shall certify to the Retirement System that
13 a beneficiary is employed to teach by a local school
14 administrative unit under the provisions of this sub-subdivision
15 and as a retired teacher as the term is defined under the
16 provisions of G.S. 115C-325(a)(5a).

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

20 **SECTION 2.** G.S. 128-24(5)c. reads as rewritten:

21 "c. Should a beneficiary who retired on an early or service
22 retirement allowance be reemployed, or otherwise engaged to
23 perform services, by an employer participating in the
24 Retirement System on a part-time, temporary, interim, or on
25 fee-for-service basis, whether contractual or otherwise, and if
26 such beneficiary earns an amount ~~during the 12-month period~~
27 ~~immediately following the effective date of retirement~~ or in any
28 calendar year which exceeds fifty percent (50%) of the reported
29 compensation, excluding terminal payments, during the 12
30 months of service preceding the effective date of retirement, or
31 twenty thousand dollars (\$20,000), whichever is greater, as
32 hereinafter indexed, then the retirement allowance shall be
33 suspended as of the first day of the month following the month
34 in which the reemployment earnings exceed the amount above,
35 for the balance of the calendar year. The retirement allowance
36 of the beneficiary shall be reinstated as of January 1 of each
37 year following suspension. The amount that may be earned
38 before suspension shall be increased on January 1 of each year
39 by the ratio of the Consumer Price Index to the Index one year
40 earlier, calculated to the nearest tenth of a percent (1/10 of
41 1%)."

42 **SECTION 3.** This act becomes effective July 1, 2003, and applies to
43 members retiring on or after that date.