

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 812**

Short Title: Reduce Waiting Period/Retired Teachers. (Public)

Sponsors: Representatives Setzer, Ray (Primary Sponsors); Church, Frye, Howard, Insko, Neumann, Pate, and Underhill.

Referred to: Pensions and Retirement, if favorable, Appropriations.

March 15, 2007

A BILL TO BE ENTITLED  
AN ACT TO REDUCE THE WAITING PERIOD FOR RETIRED TEACHERS  
RETURNING TO THE CLASSROOM AND TO REMOVE THE SUNSET FOR  
ALLOWING RETIRED TEACHERS TO RETURN TO THE CLASSROOM  
WITHOUT LOSS OF BENEFITS.

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. 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~~ three 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 amount during the 12-month period immediately following the effective date of retirement or in any calendar year which exceeds fifty percent (50%) 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,

1 then the retirement allowance shall be suspended as of the first  
2 day of the month following the month in which the  
3 reemployment earnings exceed the amount above, for the  
4 balance of the calendar year. The retirement allowance of the  
5 beneficiary shall be reinstated as of January 1 of each year  
6 following suspension. The amount that may be earned before  
7 suspension shall be increased on January 1 of each year by the  
8 ratio of the Consumer Price Index to the Index one year earlier,  
9 calculated to the nearest tenth of a percent (1/10 of 1%).

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

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

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

28 "(d) This section becomes effective January 1, ~~1999, and expires June 30, 2007.~~  
29 1999."

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

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

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

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

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

40 "**SECTION 32.25.(c)** This section becomes effective July 1, ~~2001, and expires June~~  
41 ~~30, 2007.~~ 2001."

42 **SECTION 7.** Section 1 of this act becomes effective July 1, 2007. The  
43 remainder of this act becomes effective June 30, 2007.