

March 21, 2007

H 956. RETIRED TEACHERS WORK. Filed 3/21/06. *TO EXTEND THE PROVISION THAT PERMITS RETIRED TEACHERS TO RETURN TO THE CLASSROOM WITHOUT A LOSS OF RETIREMENT BENEFITS.*

Current law [GS 135-3(8)] provides that a retired employee under the Teachers and State Employees Retirement System (TSERS) who is re-employed by TSERS is subject to an earnings cap on the amount of earnings that the employee may earn without reduction of the employee's retirement benefits. However, there is an exception to the earnings cap for re-employed retired public school employees that provides that earnings from employment on a substitute, interim, or permanent basis by a public school are not counted if the re-employed retiree has (1) been retired at least six months and (2) not been employed (except as a substitute teacher or part-time tutor) by any public school system for at least six months. Current law [GS 115C-316(d)] also provides that a local board of education may not pay a retired teacher any more than that teacher would have received on the teacher salary schedule, excluding longevity, had the teacher not retired. These provisions are scheduled to expire June 30, 2007. This act extends the sunset on the provisions to October 31, 2009. Makes conforming changes to various Session Laws. Effective July 1, 2007.

Intro. by Yongue.

GS 115C, 135

May 21, 2007

H 956. RETIRED TEACHERS WORK. Filed 3/21/07. House committee substitute makes the following changes to 1st edition. Adds a new section 5 effective July 1, 2007, as follows: (1) directs each local school administrative unit (local unit) to pay to the Teachers' and State Employees' Retirement System a reemployed teacher contribution rate (11.70%) and hospital and medical benefits contribution rate (4.30%) as a percentage of the covered salaries that retired teachers, who are exempt from the earnings cap, are being paid; and (2) requires a local unit to pay from local funds the salary amount exceeding the state-supported salary level for that position, that is paid to a reemployed teacher who is exempt from the earnings cap. Directs each local unit to make a monthly report to the Retirement Systems Division on the payments made under this section.

May 22, 2007

H 956. RETIRED TEACHERS WORK. Filed 3/21/07. House amendments make the following changes to 2nd edition. Amendment #1 amends Section 5 to remove from the Reemployed Teacher Contribution Rate the additional contribution rate of 4.30% for hospital and medical benefits. Amendment #2 provides that the final two paragraphs of GS 135-3(8)c. are to be repealed if the Internal Revenue Services determines that the provisions in GS 135-3(8)c. related to the computation of postretirement earnings jeopardize the status of the Teachers' and State Employees' Retirement System under the Internal Revenue Code. Renumbers sections.

June 27, 2007

H 956. RETIRED TEACHERS WORK. Filed 3/21/07. Senate committee substitute makes the following changes to 3rd edition. Deletes the amendments extending the sunset of provisions in GS 135-3(8) and GS 115C-316(d) for retired teachers to return to work. Amends GS 135-3(8) so that the exception to the earnings cap for reemployed retired public school employees that provides that earnings from employment on a substitute, interim, or permanent basis by a public school are not counted if the reemployed retiree has (1) been retired at least six months and (2) not been employed (except as a substitute teacher or part-time tutor) by any public school system for at least six months applies only to individuals who have retired on or before July 1, 2007. Also extends the same earnings cap exception to individuals who retire after July 1, 2007, if they also meet the additional requirement of retiring after reaching the age of at least 60 with at least 25 years of creditable service. Expires June 30, 2009.

Reenacts GS 115C-325(a)(5a), which is to expire on June 30, 2007, and amends the provision to retain the same benefit for individuals retiring on or before July 1, 2007, and to

restrict the benefit for those retiring after July 1, 2007, to those individuals who retire after reaching the age of at least 60 with at least 25 years of creditable service. Expires June 30, 2009. Makes a conforming title change.

July 3, 2007

H 956. RETIRED TEACHERS WORK. Filed 3/21/07. Senate amendment makes the following changes to 4th edition. Amends Section 4 to provide that the final three (was, two) paragraphs of GS 135-3(8)c. are repealed if the Internal Revenue Services determines that the provisions of GS 135-3(8)c. relating to the computation of postretirement earnings of retired teachers jeopardize the status of the Teachers' and State Employees' Retirement System. Makes a conforming change to the effective date of the reenactment and amendment of GS 115C-325(5a), to reflect the fact that its expiration has been extended from June 30, 2007, to August 1, 2007.

July 31, 2007

H 956. RETIRED TEACHERS WORK. Filed 3/21/07. Conference report recommends the following changes to 5th edition to reconcile matters in controversy. Effective July 31, 2007, extends the sunset date until October 1, 2007, for provisions in GS 135-3(8), GS 115C-325(5a), and GS 115C-316(d) providing for retired teachers returning to work. Effective October 1, 2007, and expiring October 1, 2009, extends the earnings cap exception to include individuals who retire after October 1, 2007, (was July 1, 2007) if (1) they are at least 65 years old and have a minimum of 5 years of creditable service, (2) they are at least 60 years old and have a minimum of 25 years of service, or (3) they have 30 years of service.

August 1, 2007

SL 2007-326 (H 956). RETIRED TEACHERS WORK. AN ACT TO MODIFY THE PROVISION THAT PERMITS RETIRED TEACHERS TO RETURN TO THE CLASSROOM WITHOUT A LOSS OF RETIREMENT BENEFITS. Summarized in *Daily Bulletin* 3/21/07, 5/21/07, 5/22/07, 6/27/07, 7/3/07, and 7/31/07. Enacted July 31, 2007. Section 3 is effective July 31, 2007. The remainder is effective October 1, 2007, and expires October 1, 2009.