

March 6, 2007

**S 536. RETIRED TEACHERS WORK/NO PENALTY.** Filed 3/6/07. *TO EXTEND THE PROVISION THAT PERMITS RETIRED TEACHERS TO RETURN TO THE CLASSROOM WITHOUT A LOSS OF RETIREMENT BENEFITS AND TO REPEAL THE REQUIREMENT THAT LOCAL SCHOOL ADMINISTRATIVE UNITS CONTRIBUTE TO THE RETIREMENT SYSTEM FOR THESE EMPLOYEES.*

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 June 30, 2009. Makes conforming changes to various Session Laws. Repeals SL 2004-124, Sec. 31.18A(g), requiring local school administrative units to contribute to TSERS for re-employed retired teachers. Effective June 30, 2007.

**Intro. by Dannelly.**

GS 115C, 135