

Reemployed Retiree Options (2007 House Bill 956, Retired Teachers Work)

Effective Retirement Date ⁽¹⁾	Return to Work as a Classroom Teacher			Return to Work in Other Capacity
	Exempt from the Earnings Cap ⁽⁴⁾	Subject to the Earnings Cap		Subject to the Earnings Cap
November 1, 2005 Through October 1, 2007	<ul style="list-style-type: none"> • 6 month break required^{(2) (3)} • Must be employed >50% of workweek • Must be employed in a permanent status • Shall not be interim, substitute, or temporary status • Had satisfactory performance during last year of employment by LEA or Charter • LEA must contribute 11.7% to the Retirement System 	<ul style="list-style-type: none"> • 6 month break required⁽²⁾ • Must not exceed earnings cap • Must be part-time (< 30 hours per week) if status is permanent • May be interim, substitute, or temporary status (full or part-time) • Must NOT be permanent full-time status • LEA NOT required to contribute 11.7% to the Retirement System 		<ul style="list-style-type: none"> • 6 month break required⁽²⁾ • Must not exceed earnings cap • Must be part-time (< 30 hours per week) if status is permanent • May be interim, substitute, or temporary status (full or part-time) • Must NOT be permanent full-time status • LEA NOT required to contribute 11.7% to the Retirement System
Retirement Date ⁽¹⁾	Exempt from the Earnings Cap ⁽⁴⁾	Subject to the Earnings Cap		Subject to the Earnings Cap
November 1, 2007 and thereafter	<ul style="list-style-type: none"> • Same requirements as above – PLUS • Retired after attaining one of the following: <ol style="list-style-type: none"> 1. Age 65 and 5 or more years of contributions to TSERS 2. Age 60 AND have 25 or more years of contributions to TSERS 3. Any age with 30 years or more of contributions to TSERS 	<ul style="list-style-type: none"> • No change -- Same as above 		<ul style="list-style-type: none"> • No change -- Same as above.

Notes

- (1) The retirement dates refer to retirement effective date (from the TSERS) not termination date. Therefore, if the employee terminates after the 1st of the month, the retirement date is the 1st of the following month. November 1st. (e.g. Terminates October 2nd – Retirement is effective November 1st)
- (2) During the 6 month break following retirement, the employee shall not work in any capacity in an organization participating in the Teachers' and State Employees' Retirement System, including part-time, temporary, substitute, part-time tutor or contractor service.
The consequence of coming back within the 6 month break is that the employee violates the definition of "Retirement" and will be required to repay all retirement benefits received and the 6 month break requirement restarts.
- (3) Effective 11/1/05, during the 6 months immediately preceding reemployment to teach exempt from the earnings cap, the employee shall not work in any capacity in a public school. (The previous provision that permitted working as a substitute teacher and/or a part-time tutor expired June 30, 2005.) Retirees who met the previous requirements to teach exempt from the earnings cap continue to be exempt as long as they continue to teach in full and part-time permanent positions greater than 50%.
- (4) Effective 7/1/07 If the retiree is employed in a position that would require the employer to pay hospital-medical benefits if the individual had not been retired, employer shall enroll the retiree and pay the cost for the hospital-medical benefits.

DEFINITION OF RETIREMENT

(Effective November 1, 2005)

G.S. 135-1(20) states in part...**"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...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 months immediately following the effective date of retirement."**