

1 weeks during each of the previous two years in which there
2 were no paid days of employment."

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

5 "(d) This section becomes effective January 1, ~~1999, and expires June 30, 2007.~~
6 1999."

7 **SECTION 3.(b)** The introductory language of Section 67 of S.L. 1998-217,
8 as amended by Section 7A.1 of S.L. 2005-144, reads as rewritten:

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

11 **SECTION 3.(c)** Subsection (b) of Section 67.1 of S.L. 1998-217, as
12 amended by Section 7A.1 of S.L. 2005-144, reads as rewritten:

13 "(b) This section becomes effective January 1, ~~1999, and expires June 30, 2007.~~
14 1999."

15 **SECTION 3.(d)** Subsection (c) of Section 32.25 of S.L. 2001-424, as
16 amended by Section 7A.1 of S.L. 2005-144, reads as rewritten:

17 "**SECTION 32.25.(c)** This section becomes effective July 1, ~~2001, and expires June~~
18 ~~30, 2007.~~2001."

19 **SECTION 3.(e)** This section becomes effective June 30, 2006.

20 **SECTION 4.** G.S. 135-3(8)c. reads as rewritten:

21 "c. Should a beneficiary who retired on an early or service
22 retirement allowance under this Chapter be reemployed, or
23 otherwise engaged to perform services, by an employer
24 participating in the Retirement System on a part-time,
25 temporary, interim, or on a fee-for-service basis, whether
26 contractual or otherwise, and if such beneficiary earns an
27 amount during the 12-month period immediately following the
28 effective date of retirement or in any calendar year which
29 exceeds fifty percent (50%) of the reported compensation,
30 excluding terminal payments, during the 12 months of service
31 preceding the effective date of retirement, or twenty thousand
32 dollars (\$20,000), whichever is greater, as hereinafter indexed,
33 then the retirement allowance shall be suspended as of the first
34 day of the month following the month in which the
35 reemployment earnings exceed the amount above, for the
36 balance of the calendar year. The retirement allowance of such
37 a beneficiary shall also be suspended as provided in this
38 sub-subdivision if that beneficiary earns in any one month an
39 amount that exceeds sixty percent (60%) of the average
40 reported monthly compensation, excluding terminal payments,
41 earned during the 12 months of service immediately preceding
42 the effective date of retirement, unless the beneficiary's
43 employment resulting in that monthly amount is for a fixed
44 term of no more than six months and is preceded by at least a

1 six-month continuous separation from active service following
2 the beneficiary's retirement. The retirement allowance of the
3 beneficiary shall be reinstated as of January 1 of each year
4 following suspension. The amount that may be earned before
5 suspension shall be increased on January 1 of each year by the
6 ratio of the Consumer Price Index to the Index one year earlier,
7 calculated to the nearest tenth of a percent (1/10 of 1%).

8 The computation of postretirement earnings of a beneficiary
9 under this sub-subdivision, G.S. 135-3(8)c., who ~~has been~~
10 ~~retired at least six months~~ meets either definition of retirement
11 under G.S. 135-1(20) and who, before the effective date of
12 reemployment, has not been employed in any capacity with a
13 public school for at least six months immediately preceding the
14 effective date of reemployment, at any time during the total of
15 25 working days immediately following the effective date of
16 retirement plus the longer of the number of weeks during each
17 of the previous two years in which there were no paid days of
18 employment for that member, shall not include earnings while
19 the beneficiary is employed to teach in a permanent full-time or
20 part-time capacity that exceeds fifty percent (50%) of the
21 applicable workweek in a public school. The Department of
22 Public Instruction shall certify to the Retirement System that a
23 beneficiary is employed to teach by a local school
24 administrative unit under the provisions of this sub-subdivision
25 and as a retired teacher as the term is defined under the
26 provisions of G.S. 115C-325(a)(5a).

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

30 **SECTION 5.** G.S. 115C-325(a)(5a) reads as rewritten:

31 "(5a) "Retired teacher" means a beneficiary of the Teachers' and State
32 Employees' Retirement System of North Carolina who ~~has been retired~~
33 ~~at least six months,~~ meets either definition of retirement under
34 G.S. 135-1(20), who, before the effective date of reemployment, has
35 not been employed in any capacity for at least six months, immediately
36 preceding the effective date of reemployment, with a public school at
37 any time during the total of 25 working days immediately following
38 the effective date of retirement plus the longer of the number of weeks
39 during each of the previous two years in which there were no paid days
40 of employment for that member, who is determined by a local board of
41 education or a charter school to have had satisfactory performance
42 during the last year of employment by a local board of education or a
43 charter school, and who is employed to teach as provided in
44 G.S. 135-3(8)c. A retired teacher at a school other than a charter

1 school shall be treated the same as a probationary teacher except that
2 (i) a retired teacher is not eligible for career status and (ii) the
3 performance of a retired teacher who had attained career status prior to
4 retirement shall be evaluated in accordance with a local board of
5 education's policies and procedures applicable to career teachers."

6 **SECTION 6.** Section 29.28(f) of S.L. 2005-276 reads as rewritten:

7 "**SECTION 29.28.(f)** Subsections (a) and (b) of this section become effective
8 August 1, 2005. Subsection (e) of this section becomes effective November 1, 2005, but
9 does not apply to participants in The University of North Carolina Phased Retirement
10 ~~Program until June 30, 2007.~~ Program. The remainder of this section becomes effective
11 June 30, 2005."

12 **SECTION 7.** The University of North Carolina shall establish a normal
13 retirement age for the Optional Retirement Program of either 59½ or 60 years of age
14 and shall limit The University of North Carolina Phased Retirement Program to persons
15 who have reached that normal retirement age.

16 **SECTION 8.** The North Carolina Community College System may establish
17 a phased retirement program for its faculty that functions in a manner similar to The
18 University of North Carolina Phased Retirement Program.

19 **SECTION 9.** Section 3 of this act becomes effective June 30, 2006. The
20 remainder of this act becomes effective July 1, 2006, but Sections 1 through 5 of this act
21 do not apply to participants in The University of North Carolina Phased Retirement
22 Program or to members of the phased retirement program established for the faculty of
23 the North Carolina Community College System under Section 8 of this act.