

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1226
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Short Title: Retired Health Professionals Return to Work. (Public)

Sponsors: Senators Dalton; and Berger of Rockingham.

Referred to: Appropriations/Base Budget.

March 26, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO ENABLE RETIRED HEALTH CARE PROFESSIONALS TO RETURN
3 TO EMPLOYMENT WITH LOCAL HEALTH DEPARTMENTS WITHOUT
4 LOSING RETIREMENT BENEFITS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 135-3(8)c. reads as rewritten:

7 "c. (**Effective until June 30, 2007**) Should a beneficiary who
8 retired on an early or service retirement allowance under this
9 Chapter be reemployed, or otherwise engaged to perform
10 services, by an employer participating in the Retirement System
11 on a part-time, temporary, interim, or on a fee-for-service basis,
12 whether contractual or otherwise, and if such beneficiary earns
13 an amount during the 12-month period immediately following
14 the effective date of retirement or in any calendar year which
15 exceeds fifty percent (50%) of the reported compensation,
16 excluding terminal payments, during the 12 months of service
17 preceding the effective date of retirement, or twenty thousand
18 dollars (\$20,000), whichever is greater, as hereinafter indexed,
19 then the retirement allowance shall be suspended as of the first
20 day of the month following the month in which the
21 reemployment earnings exceed the amount above, for the
22 balance of the calendar year. The retirement allowance of the
23 beneficiary shall be reinstated as of January 1 of each year
24 following suspension. The amount that may be earned before
25 suspension shall be increased on January 1 of each year by the
26 ratio of the Consumer Price Index to the Index one year earlier,
27 calculated to the nearest tenth of a percent (1/10 of 1%).

28 The computation of postretirement earnings of a beneficiary
29 under this sub-subdivision, G.S. 135-3(8)c., who has been

1 retired at least six months and has not been employed in any
2 capacity with a public school for at least six months
3 immediately preceding the effective date of reemployment,
4 shall not include earnings while the beneficiary is employed to
5 teach in a permanent full-time or part-time capacity that
6 exceeds fifty percent (50%) of the applicable workweek in a
7 public school. The Department of Public Instruction shall
8 certify to the Retirement System that a beneficiary is employed
9 to teach by a local school administrative unit under the
10 provisions of this sub-subdivision and as a retired teacher as the
11 term is defined under the provisions of G.S. 115C-325(a)(5a).

12 Beneficiaries employed under this sub-subdivision are not
13 entitled to any benefits otherwise provided under this Chapter
14 as a result of this period of employment.

15 The computation of postretirement earnings of a beneficiary
16 under this sub-subdivision, G.S. 135-3(8)c., who has been
17 retired at least six months and has not been employed in any
18 capacity with a local health department for at least six months
19 immediately preceding the effective date of reemployment,
20 shall not include earnings while the beneficiary is employed to
21 provide health care services in a permanent full-time or
22 part-time capacity that exceeds fifty percent (50%) of the
23 applicable workweek in a local health department. The local
24 health department shall certify to the Retirement System that a
25 beneficiary is employed to provide health care services by a
26 local health department under the provisions of this
27 sub-subdivision and as a retired health care professional.

28 As used in this section, 'local health department' includes a
29 district health department, consolidated human services agency,
30 or a public health authority as those entities are established
31 under Article 2 of Chapter 130A of the General Statutes.

32 As used in this section, 'retired health care professional' is a
33 beneficiary of the Teachers' and State Employees' Retirement
34 System of North Carolina who:

- 35 1. Was previously employed as a health director, medical
36 specialist, or licensed or certified: nurse, health
37 educator, nutritionist, dentist, dental assistant, health
38 administrator, or environmental health specialist;
- 39 2. Has been retired at least six months;
- 40 3. Has not been employed in any capacity for at least six
41 months, immediately preceding the effective date of
42 reemployment;

1 4. Is determined by a local health department to have had
2 satisfactory performance during the last year of
3 employment by the local health department; and

4 5. Is employed to provide professional health care services.
5 Beneficiaries employed under this sub-subdivision are not
6 entitled to any benefits otherwise provided under this Chapter
7 as a result of this period of employment."

8 **SECTION 2.** Notwithstanding any other provision of law, each local health
9 department shall pay to the Teachers' and State Employees' Retirement System a
10 Reemployed Health Care Professional Contribution Rate of eleven and
11 seventy-hundredths percent (11.70%) as a percentage of covered salaries that the retired
12 health care professionals, who are exempt from the earnings cap, are being paid. Each
13 local health department shall report monthly to the Retirement Systems Division on
14 payments made pursuant to this section.

15 **SECTION 3.** This act becomes effective June 30, 2007.