

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS35100-MTp-41

Short Title: Revive High-Need Retired Teachers Program. (Public)

Sponsors: Senators Corbin, Lee, and Overcash (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REVIVE AND EXPAND THE PROGRAM TO ALLOW RETIRED
3 EDUCATORS TO RETURN TO WORK IN HIGH-NEED SCHOOLS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 115C-302.4 is reenacted as it existed immediately prior to its
6 expiration and expires effective June 30, 2027.

7 **SECTION 2.(a)** G.S. 135-3(a)(8) is amended by adding a new sub-subdivision to
8 read:

9 "i. Notwithstanding sub-subdivisions c. and d. of this subdivision, the
10 computation of postretirement earnings under this subdivision shall
11 not include earnings while a beneficiary is employed as a high-need
12 retired teacher as defined under G.S. 115C-302.4(a) and the
13 beneficiary shall not be restored to service as a teacher or employee.
14 The Department of Public Instruction shall certify to the Retirement
15 System that a beneficiary is employed by a local board of education as
16 a high-need retired teacher. No later than September 15 annually, a
17 local board of education shall inform the Retirement System if it will
18 not employ any high-need retired teachers for that school year. The
19 retirement allowance of a beneficiary who retired on an early or
20 service retirement shall not cease due to reemployment as a high-need
21 retired teacher. A beneficiary reemployed as a high-need retired
22 teacher is not entitled to any benefits otherwise provided under this
23 Chapter as a result of this period of employment."

24 **SECTION 2.(b)** G.S. 135-3(a)(8)c1. reads as rewritten:

25 "c1. Within 90 days of the end of each month in which a beneficiary is
26 reemployed under the provisions of sub-subdivision c. or i. of this
27 subdivision, each employer shall provide a report for that month on
28 each reemployed beneficiary, including the terms of the
29 reemployment, the date of the reemployment, and the amount of the
30 monthly compensation. If the required report is not received within the
31 required 90 days, then the Board may do any or all of the following:
32"

33 **SECTION 2.(c)** G.S. 135-1(10) reads as rewritten:

34 "(10) "Employee" shall mean all full-time employees, agents or officers of the State
35 of North Carolina or any of its departments, bureaus and institutions other than
36 educational, whether such employees are elected, appointed or employed:



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1 Provided that the term "employee" shall not include employees of the
2 University of North Carolina Health Care System who are not eligible for
3 participation under G.S. 135-5.6, employees of the East Carolina University
4 School of Medicine or Dental School of Medicine who are not eligible for
5 participation under G.S. 135-5.7, any person who is a member of the
6 Consolidated Judicial Retirement System, any member of the General
7 ~~Assembly or Assembly, any high-need retired teacher as defined under~~
8 G.S. 115C-302.4(a), or any part-time or temporary employee.
9 Notwithstanding any other provision of law, "employee" shall include all
10 employees of the General Assembly except participants in the Legislative
11 Intern Program, pages, and beneficiaries in receipt of a monthly retirement
12 allowance under this Chapter who are reemployed on a temporary basis.
13 "Employee" also includes any participant whose employment is interrupted
14 by reason of service in the Uniformed Services, as that term is defined in
15 section 4303(16) of the Uniformed Services Employment and Reemployment
16 Rights Act, Public Law 103-353, if that participant was an employee at the
17 time of the interruption; if the participant does not return immediately after
18 that service to employment with a covered employer in this System, then the
19 participant shall be deemed "in service" until the date on which the participant
20 was first eligible to be separated or released from his or her involuntary
21 military service. In all cases of doubt, the Board of Trustees shall determine
22 whether any person is an employee as defined in this Chapter. "Employee"
23 shall also mean every full-time civilian employee of the North Carolina
24 National Guard who is employed pursuant to section 709 of Title 32 of the
25 United States Code and paid from federal appropriated funds, but held by the
26 federal authorities not to be a federal employee: Provided, however, that the
27 authority or agency paying the salaries of such employees shall deduct or
28 cause to be deducted from each employee's salary the employee's contribution
29 in accordance with applicable provisions of G.S. 135-8 and remit the same,
30 either directly or indirectly, to the Retirement System; coverage of employees
31 described in this sentence shall commence upon the first day of the calendar
32 year or fiscal year, whichever is earlier, next following the date of execution
33 of an agreement between the Secretary of Defense of the United States and
34 the Adjutant General of the State acting for the Governor in behalf of the State,
35 but no credit shall be allowed pursuant to this sentence for any service
36 previously rendered in the above-described capacity as a civilian employee of
37 the North Carolina National Guard: Provided, further, that the Adjutant
38 General, in the Adjutant General's discretion, may terminate the Retirement
39 System coverage of the above-described North Carolina National Guard
40 employees if a federal retirement system is established for such employees
41 and the Adjutant General elects to secure coverage of such employees under
42 such federal retirement system. Any full-time civilian employee of the North
43 Carolina National Guard described above who is now or hereafter may
44 become a member of the Retirement System may secure Retirement System
45 credit for such service as a North Carolina National Guard civilian employee
46 for the period preceding the time when such employees became eligible for
47 Retirement System coverage by paying to the Retirement System an amount
48 equal to that which would have constituted employee contributions if the
49 employee had been a member during the years of ineligibility, plus interest.
50 Employees of State agencies, departments, institutions, boards, and
51 commissions who are employed in permanent job positions on a recurring

basis must work at least 30 hours per week for nine or more months per calendar year in order to be covered by the provisions of this subdivision. On and after August 1, 2001, a person who is a nonimmigrant alien and who otherwise meets the requirements of this subdivision shall not be excluded from the definition of "employee" solely because the person holds a temporary or time-limited visa."

SECTION 2.(d) G.S. 135-48.40(b)(1a) reads as rewritten:

"(1a) All retirees who ~~(i) are~~ meet all of the following criteria:

- a. The retiree is employed by an employing unit that elects to be covered by this subdivision, (ii) do subdivision.
- b. The retiree does not qualify for coverage under subdivision (1) of this subsection, ~~and (iii) are subsection.~~
- c. The retiree is either a high-need retired teacher under G.S. 115C-302.4 or is determined to be "full-time" by their employing unit in accordance with section 4980H of the Internal Revenue Code and the applicable regulations, as amended.

The employing unit shall pay the employer premiums for retirees who enroll under this subdivision."

SECTION 2.(e) If the Internal Revenue Service determines that any provision of this section jeopardizes the status of the Teachers' and State Employees' Retirement System of North Carolina under the Internal Revenue Code, then this section is repealed on the last day of the month following the month of receipt of that determination by the State Treasurer. Upon receipt of that determination, the State Treasurer shall notify the Revisor of Statutes of the determination and the date of receipt. Within three business days of receipt of the determination, the State Treasurer shall notify all local school administrative units of the repeal of this section and shall publicly notice the receipt of this information on the Department of State Treasurer's website. Within three business days of receipt of the notice from the State Treasurer, a local school administrative unit shall notify all high-need retired teachers employed by its local board of education of the repeal of this section.

SECTION 2.(f) Any beneficiary that is employed by a local board of education as a high-need retired teacher, as defined in G.S. 115C-302.4(a), shall not be eligible to elect into a position that would lead the beneficiary to be eligible to accrue any additional benefits under G.S. 135-3(a)(8). Any failure of a local board of education or a beneficiary to comply with the foregoing shall be corrected by the Executive Director of the Retirement System as may be appropriate under State and federal law. Any costs of the correction, as determined by the Executive Director of the Retirement System, shall be the sole responsibility of the local board of education and shall be transferred to the Pension Accumulation Fund under G.S. 135-8 under rules adopted by the Board of Trustees.

SECTION 3. This act is effective when it becomes law and expires June 30, 2027.