

Re-employment Changes Effective October 1, 2009 and Prior

Significant Changes to Conditions of Re-employment of TSERS Retirees

In the past, there have been a variety of conditions under which retired personnel could be re-employed without losing their retirement income.

Session Law 2007-326/HB 956 allows a “retired teacher” to be employed exempt from the earnings cap and expires September 30, 2009. Reemployed retirees will no longer be allowed to work exempt from the earning cap in the NC Public Schools starting October 1, 2009, if the General Assembly does not extend the sunset clause.

Please read this memo carefully, as it impacts the employment status of many retirees.

LEAs can hire retirees within funds budgeted during school year 2009-10. However, if a retiree is hired exempt from the cap in August and the sunset is not extended beyond October 1, 2009, then the retiree and LEA are required to review the retiree status and make the necessary employment changes:

1. Revert to subject to the cap status,
2. Resign or
3. Come out of retirement to work full time

There will be no exceptions for any exempt from the cap teachers after October 1, 2009. Failure to designate a new status will place the teacher in jeopardy of losing their retirement benefits and require payback of retirement payments received.

The Retirement System Division must receive notification of designation by the 10th day of the month prior to the effective date of the coverage in order to make the change effective on the first day of the next month. So, a retired teacher beginning the 2009-10 school year exempt from the cap must select and notify the Retirement System Division by September 10, 2009, of their intention if employed by an LEA.

When the exempt from the cap status is changed, the employer should send for health coverage under the active group, in order to restore State Health Plan coverage under the retiree group, to the:

1. New State Health Plan Retiree Group Enrollment/Change Form, Form HM, completed by the member, and
2. Letter addressed to “Retiree Health Insurance” on the employer’s letterhead to the Retirement Systems Division stating that the retiree’s State Health Plan insurance will no longer be paid by the employer.

This letter should include:

- Member’s name
- Last four digits of the member’s Social Security Number, and
- Effective date of the termination of coverage under the State Health Plan active group.

Both the letter from the employer and the new Form HM should be submitted together to the Retirement Systems Division.

Should you have any questions, please feel free to contact Joan Crump at jcrump@dpi.state.nc.us (919) -807-3668 or Paul LeSieur at plesieur@dpi.state.nc.us (919) 807-3701.