

HOUSE BILL 106: Revive High-Need Retired Teachers Program.

2025-2026 General Assembly

Committee: House Education - K-12. If favorable, re-refer **Date:**

April 1, 2025

to Pensions and Retirement. If favorable, rerefer to Appropriations. If favorable, re-refer to

Rules, Calendar, and Operations of the House

Reps. Carver, Scott, Willis **Introduced by:**

Prepared by: Brian Gwyn

Analysis of: PCS to First Edition Committee Co-Counsel

H106-CSBEap-4

OVERVIEW: The 1st edition of House Bill 106 would reenact and expand a program that previously allowed retired educators to return to work in high-need schools.

The PCS would do all of the following:

- Expand the program to cover all public school units rather than only local boards of education.
- Require the program to expire June 30, 2029.
- Make various technical changes.

CURRENT LAW: For a retiree of the Teachers' and State Employees' Retirement System (TSERS) to return to work with a TSERS employer and continue to receive his or her TSERS monthly retirement benefit, the retiree must meet the following conditions:

- Be retired for at least 6 months before returning to work for a TSERS employer.
- Work in a position that does not require membership in TSERS (membership in TSERS is required if a person is a permanent employee who works at least 30 hours per week for 9 months per year).
- Be subject to earnings restrictions. The retiree can earn (i) 50% of the gross pre-retirement salary or (ii) \$42,160 (2025 amount), whichever is greater.

BILL ANALYSIS: The PCS would allow certain retired teachers to return to work in certain high-need schools and still receive their full retirement benefits. In order to qualify, a high-need retired teacher would be required to meet the following:

- Have retired at least two months prior to the date of reemployment, after attaining one of the following:
 - o The age of 65 with 5 years of creditable service.
 - o The age of 60 with 25 years of creditable service.
 - o 30 years of creditable service.
- Be reemployed by a public school unit to teach at a high-need school.

High-Need School: A high-need school would be defined as a school that, at any point on or after July 1, 2017, (i) is a Title I school as defined by federal law or (ii) receives an overall school performance grade of D or F, as calculated by the State Board of Education.

Salary During Reemployment: If the high-need retired teacher is reemployed to teach STEM (science, technology, engineering, and math) or special education, the high-need retired teacher would be paid on

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the 6th step of the salary schedule. Other high-need retired teachers would be paid on the 1st step of the teacher salary schedule. High-need retired teachers could not receive any State salary supplements or bonuses and could not move to higher salary steps on the salary schedule.

<u>Local Salary Supplement</u>: High-need retired teachers employed by local boards of education would receive any local salary supplements that are given to other employees of the local board of education.

<u>Term of Contract</u>: The contract between a governing body of a public school unit and a high-need retired teacher could not be for more than one school year.

The Superintendent of Public Instruction would identify and provide to public school units a list of STEM and special education licensure areas that qualify for reemployment and the public school units would make this available to high-need retired teachers. The Department of Public Instruction would certify to TSERS that a retiree is employed to teach as high-need retired teacher.

The State Treasurer would be required to seek a private letter ruling from the Internal Revenue Service regarding the provisions of this act. If the Internal Revenue Service determined that allowing retired teachers to return to work in certain high-need schools while receiving their retirement benefits would jeopardize the status of the TSERS under the Internal Revenue Code, then this act would be repealed on the last day of the month following the month of receipt of that determination by the State Treasurer. The State Treasurer would then notify all public school units of the repeal and publicly notice the information on the website for the Department of State Treasurer. Public school units would be required to notify all high-need retired teachers who are employed of the repeal.

Any beneficiary employed to teach by the governing body of a public school unit as a high-need retired teacher would not be eligible to elect into a position that would lead him or her to be eligible to accrue any additional benefits under TSERS.

EFFECTIVE DATE: The PCS would be effective when it becomes law and would expire June 30, 2029. The provisions would apply beginning with the 2025-2026 school year.

BACKGROUND: S.L. 2019-110, as amended by S.L. 2019-212, enacted a temporary program that was similar to the PCS. However, the previous program was different in the following ways:

- It applied only to local boards of education, rather than all public school units.
- To take advantage of the program, the teacher had to have retired prior to the enactment of the program.
- It retained the standard 6 months of separation requirement prior to returning to work.
- It expired after two years.