

HOUSE BILL NO. 1203

Introduced by

Representatives Drovdal, Kempenich

Senator Bowman

1 A BILL for an Act to amend and reenact section 15-39.1-19.1 and subsection 2 of section
2 15-39.1-19.2 of the North Dakota Century Code, relating to discontinuance of member
3 contributions for retired teachers returning to active service under the teachers' fund for
4 retirement; to provide an effective date; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 15-39.1-19.1 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **15-39.1-19.1. Retired teachers return to active service - Annuities discontinued on**
9 **resumption of teaching over annual hour limit.**

10 1. a. Except as otherwise provided in section 15-39.1-19.2, a retired teacher who is
11 receiving a retirement annuity under chapter 15-39, 15-39.1, or 15-39.2 may not
12 return to covered employment until thirty calendar days have elapsed from the
13 member's retirement date. A retired member may then return to covered
14 employment under an annual hour limit and continue receiving a monthly
15 retirement benefit. The annual hour limit is based on the length of the reemployed
16 retiree's contract as follows:

- 17 (1) Retiree reemployment of nine months or less, annual limit is seven hundred
18 hours;
- 19 (2) Retiree reemployment of ten months, annual limit is eight hundred hours;
- 20 (3) Retiree reemployment of eleven months, annual limit is nine hundred hours;
- 21 or
- 22 (4) Retiree reemployment of twelve months, annual limit is one thousand hours.

- 1 b. Employment as a noncontracted substitute teacher does not apply to the annual
2 hour limit. Professional development and extracurricular duties do not apply to
3 the annual hour limit.
- 4 c. The retired member and the retired member's employer must notify the fund
5 office in writing within thirty days of the retired member's return to covered
6 employment.
- 7 d. A retired member who returns to teaching ~~shallis not required to~~ pay the member
8 contributions required by section 15-39.1-09 on the salary received by the retired
9 member before reaching the annual hour limit. ~~The member contributions must~~
10 ~~be included in the retired member's account value and may not be refunded~~
11 ~~except as provided under subdivision a of subsection 2 of section 15-39.1-19.1~~
12 ~~and section 15-39.1-17.~~
- 13 e. A participating employer who employs a retired member under this section shall
14 pay the employer contributions required by section 15-39.1-09 on the salary of
15 the retired member.
- 16 f. A retired teacher who returns to teaching and does not exceed the annual hour
17 limit must be treated as retired for all other purposes under this chapter. A retired
18 teacher may not earn any additional service during the period of reemployment.
19 The retired teacher's benefits may not be adjusted to reflect changes in the
20 retired teacher's age or final average monthly salary at the end of the period of
21 reemployment, any optional form of payment elected under section 15-39.1-16
22 remains effective during and after the period of reemployment, and additional
23 benefits normally available to an active member, such as disability benefits, are
24 not available to a retired teacher reemployed under this section.
- 25 ~~g-2.~~ A retired teacher who returns to teaching and exceeds the annual hour limit must
26 immediately notify the fund office in writing. Failure to notify the fund office results in
27 the loss of one month's annuity benefit for the member. Member and employer
28 contributions must be paid as required by section 15-39.1-09 on the salary received by
29 the retired member after reaching the annual hour limit. The retired member's monthly
30 benefit must be discontinued the first of the month following the date the member
31 reaches the annual hour limit.

- 1 2- Upon the retired teacher's subsequent retirement, the member's benefit must be
2 resumed as follows:
- 3 a. If the teacher subsequently retires with less than two years of additional earned
4 credited service, the teacher's contributions paid to the fund after the member's
5 benefit was suspended must be refunded in accordance with section 15-39.1-20
6 and the teacher is entitled to receive the discontinued annuity, plus any
7 postretirement benefit adjustments granted during the period of reemployment,
8 the first day of the month following the teacher's re-retirement.
- 9 b. If the teacher subsequently retires with two or more but less than five years of
10 additional earned credited service, the retired person's annuity is the greater of
11 the sum of the discontinued annuity, plus an additional annuity computed
12 according to this chapter based upon years of service and average salaries
13 earned during the period of reemployment plus any postretirement benefit
14 adjustments granted during the period of reemployment, or a recalculated annuity
15 computed according to this chapter based on total years of service credit earned
16 during both employment periods offset by the actuarial value of payments already
17 received. The new annuity is payable the first day of the month following the
18 member's re-retirement.
- 19 c. If the teacher subsequently retires with five or more years of additional earned
20 credited service, the retired person's annuity is the greater of the sum of the
21 discontinued annuity plus an additional annuity based upon years of service and
22 average salaries earned during the period of reemployment plus any
23 postretirement benefit adjustments granted during the period of reemployment, or
24 a recalculated annuity based on all years of service computed under
25 subsection 2 of section 15-39.1-10. The new annuity is payable the first day of
26 the month following the member's re-retirement.

27 **SECTION 2. AMENDMENT.** Subsection 2 of section 15-39.1-19.2 of the North Dakota
28 Century Code is amended and reenacted as follows:

- 29 2. A retired teacher who returns to teaching under this section ~~shall~~ is not required to pay
30 the member contributions required by section 15-39.1-09 on the salary of the retired
31 member. ~~The member contributions must be included in the retired member's account~~

1 value and may not be refunded except as provided under section 15-39.1-17. A retired
2 teacher who returns to teaching under the provisions of this section must be treated as
3 retired for all other purposes under this chapter. A retired teacher may not earn any
4 additional service during the period of reemployment. The retired teacher's benefits
5 may not be adjusted to reflect changes in the retired teacher's age or final average
6 monthly salary at the end of the period of reemployment, any optional form of payment
7 elected under section 15-39.1-16 remains effective during and after the period of
8 reemployment, and additional benefits normally available to an active member, such
9 as disability benefits, are not available to a retired teacher reemployed under this
10 section.

11 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective July 1, 2013.

12 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.