

Introduced by

Senator Heckaman

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 adjustment of the service benefit  
3 upon subsequent retirement of retired teachers who return to active duty.

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

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

7 **15-39.1-19.1. Retired teachers return to active service - Annuities discontinued on**  
8 **resumption of teaching over annual hour limit.**

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

16 (1) Retiree reemployment of nine months or less, annual limit is seven hundred  
17 hours;

18 (2) Retiree reemployment of ten months, annual limit is eight hundred hours;

19 (3) Retiree reemployment of eleven months, annual limit is nine hundred hours;  
20 or

21 (4) Retiree reemployment of twelve months, annual limit is one thousand hours.

22 b. Employment as a noncontracted substitute teacher does not apply to the annual  
23 hour limit. Professional development and extracurricular duties do not apply to  
24 the annual hour limit.

- 1           c. The retired member and the retired member's employer must notify the fund  
2           office in writing within thirty days of the retired member's return to covered  
3           employment.
- 4           d. A retired member who returns to teaching shall pay the member contributions  
5           required by section 15-39.1-09 on the salary received by the retired member. The  
6           member contributions must be included in the retired member's account value  
7           and may not be refunded except as provided under subdivision a of subsection 2  
8           of section 15-39.1-19.1 and section 15-39.1-17.
- 9           e. A participating employer who employs a retired member under this section shall  
10          pay the employer contributions required by section 15-39.1-09 on the salary of  
11          the retired member.
- 12          f. A retired teacher who returns to teaching and does not exceed the annual hour  
13          limit must be treated as retired for all other purposes under this chapter. A retired  
14          teacher may not earn any additional service during the period of reemployment.  
15          The retired teacher's benefits may not be adjusted to reflect changes in the  
16          retired teacher's age or final average monthly salary at the end of the period of  
17          reemployment, any optional form of payment elected under section 15-39.1-16  
18          remains effective during and after the period of reemployment, and additional  
19          benefits normally available to an active member, such as disability benefits, are  
20          not available to a retired teacher reemployed under this section. The retired  
21          member's benefit must be actuarially adjusted to provide for an increase in  
22          benefits based on the total amount of retired member contributions paid to the  
23          fund during the period of reemployment. The retired member's benefit must be  
24          adjusted upon the retired member's subsequent retirement. The adjusted benefit  
25          must be paid effective the first day of the month following the retired member's  
26          re-retirement.
- 27          ~~g-2.~~ A retired teacher who returns to teaching and exceeds the annual hour limit must  
28          immediately notify the fund office in writing. Failure to notify the fund office results in  
29          the loss of one month's annuity benefit for the member. 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 an actuarial  
7           adjustment for an increase in benefits based on the total amount of retired member  
8           contributions paid to the fund prior to the retiree's benefit suspension, plus any  
9           postretirement benefit adjustments granted during the period of reemployment,  
10          the first day of the month following the teacher's re-retirement.
- 11          b. If the teacher subsequently retires with two or more but less than five years of  
12          additional earned credited service, the retired person's annuity is the greater of  
13          the sum of the discontinued annuity, plus an additional annuity computed  
14          according to this chapter based upon years of service and average salaries  
15          earned during the period of reemployment, plus an actuarial adjustment for an  
16          increase in benefits based on the total amount of retired member contributions  
17          paid to the fund prior to the retiree's benefit suspension, plus any postretirement  
18          benefit adjustments granted during the period of reemployment, or a recalculated  
19          annuity computed according to this chapter based on total years of service credit  
20          earned during both employment periods, plus an actuarial adjustment for an  
21          increase in benefits based on the total amount of retired member contributions  
22          paid to the fund prior to the retiree's benefit suspension, offset by the actuarial  
23          value of payments already received. The new annuity is payable the first day of  
24          the month following the member's re-retirement.
- 25          c. If the teacher subsequently retires with five or more years of additional earned  
26          credited service, the retired person's annuity is the greater of the sum of the  
27          discontinued annuity plus an additional annuity based upon years of service and  
28          average salaries earned during the period of reemployment, plus an actuarial  
29          adjustment for an increase in benefits based on the total amount of retired  
30          member contributions paid to the fund prior to the retiree's benefit suspension,  
31          plus any postretirement benefit adjustments granted during the period of

1                   reemployment, or a recalculated annuity based on all years of service computed  
2                   under subsection 2 of section 15-39.1-10, plus an actuarial adjustment for an  
3                   increase in benefits based on the total amount of retired member contributions  
4                   paid to the fund prior to the retiree's benefit suspension. The new annuity is  
5                   payable the first day of the month following the member's re-retirement.

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

8                   2. A retired teacher who returns to teaching under this section shall pay the member  
9                   contributions required by section 15-39.1-09 on the salary of the retired member. The  
10                  member contributions must be included in the retired member's account value and  
11                  may not be refunded except as provided under section 15-39.1-17. A retired teacher  
12                  who returns to teaching under the provisions of this section must be treated as retired  
13                  for all other purposes under this chapter. A retired teacher may not earn any additional  
14                  service during the period of reemployment. The retired teacher's benefits may not be  
15                  adjusted to reflect changes in the retired teacher's age or final average monthly salary  
16                  at the end of the period of reemployment, any optional form of payment elected under  
17                  section 15-39.1-16 remains effective during and after the period of reemployment, and  
18                  additional benefits normally available to an active member, such as disability benefits,  
19                  are not available to a retired teacher reemployed under this section. The retired  
20                  member's benefit must be actuarially adjusted to provide for an increase in benefits  
21                  based on the total amount of retired member contributions paid to the fund during the  
22                  period of reemployment. The retired member's benefit must be adjusted upon the  
23                  retired member's subsequent retirement. The adjusted benefit must be paid effective  
24                  the first day of the month following the retired member's reretirement.