



North Carolina Retirement Systems

**Retirement Monitor – Special Edition,
September 1, 2009**

A monthly newsletter for public sector human resources and payroll specialists from the Retirement Systems Division of the North Carolina Department of State Treasurer.

Classroom Teacher Reemployment Exception Expires October 1, 2009

The exception for Teachers' and State Employees' Retirement System (TSERS) retirees who wish to return to work as classroom teachers exempt from the earnings limitations expires October 1, 2009.

As a result of the expiration of these provisions, please remember that **any individual** retired from the TSERS who is reemployed with a public school on or after October 1, 2009, and who wishes to continue to receive his/her monthly retirement benefit while reemployed will be subject to the provisions outlined in the "Return-to-Work Laws at a Glance" article located on the "Employers" page of our Web site at: www.nctreasurer.com/NR/ronlyres/0C706A30-0FB5-4FEB-8CFE-4821DD44D216/0/ReturntoWorkLawsataGlance.pdf.

Please note that reemployed retired teachers, except those in full-time positions who must become contributing members, will now be subject to an earnings cap, also known as earnable allowance, and must be reemployed on a part-time, temporary, interim, or on a fee-for-service basis. The retiree may request his/her earnable allowance limit by contacting the Retirement System at 1-877-733-4191 (outside Raleigh) or 733-4191 (local to Raleigh). Earnings prior to October 1, 2009, that were exempt from the cap while working under the classroom teacher exemption will not count against the retiree's 2009 earnable allowance limit. Also, if the retiree is reemployed in a position that requires him/her to become a contributing member of the TSERS, the Retirement Systems Division (RSD) should be contacted immediately so that we can suspend his/her retirement benefit, and prevent the member from having an overpayment.

ORBIT Reporting Change for Reemployed Retired Teachers Effective October 1, 2009

Compensation paid to a rehired retired teacher for services performed on and after October 1, 2009, should no longer be reported in your monthly ORBIT payroll report as STRE, but should be reported under STRS (subject to earnings restrictions) or STG (if the member meets eligibility as a contributing employee), and you will no longer remit an employer contribution of 11.7% on any compensation paid for services performed on or after October 1, 2009.

ORBIT Reporting Change for all Rehired Retirees Effective July 1, 2009

Under the provisions of House Bill 642, which was recently enacted by the General Assembly, effective July 1, 2009, employers must report all rehired retirees to the Retirement System each month. These rehired retirees should be reported in ORBIT with the appropriate pay period, pay type, plan code, salary and all other applicable fields as defined by the ORBIT file format, www.nctreasurer.com/NR/ronlyres/613E0FAA-C8F4-4273-8526-E18A5D637793/0/NCEmployerReport.pdf, via the monthly ORBIT payroll report. If the report is not received by the Retirement System within 90 days of the end of each month in which a beneficiary is reemployed, the Retirement System is required to assess a penalty of 10% of the compensation of the unreported reemployed retirees during the months the employer did not report the reemployed retirees, with a minimum penalty of \$25.00.

Retirement Systems Contact Information

- Employers with questions or in need of information should contact the NC Retirement Systems Division's Employer Education and Services Unit at EESU@nctreasurer.com or call toll-free at 1-877-807-3131 (for outside Raleigh area) and 807-3131 (Raleigh area only).

- Active Employees with questions or in need of information or forms should contact the Division's Member Services unit toll-free at 1-877-627-3287 (for outside Raleigh area) and (919) 807-3050 (Raleigh area only).
- Retirees with questions or in need of information or forms should contact the Division's Member Services unit toll-free at 1-877-733-4191 (for outside Raleigh area) and (919) 733-4191 (Raleigh area only).

If you have questions regarding a specific return to work situation, we ask that your questions be put in writing with all relevant information and mailed to:

Department of State Treasurer
Retirement Systems Division
Member Services – Return To Work
325 N Salisbury Street
Raleigh, NC 27603

Or, you can send an e-mail to us at ncretirement@nctreasurer.com with the subject line marked as "Return To Work."