

VETERAN TEACHER BONUSES

Questions and Answers

Orig September 26, 2017

This question and answer refers to Senate Bill 257 (Budget Bill) Section 8.8A as amended by HB 528

VETERAN TEACHER BONUSES SECTION 8.8A.

- (a) By October 31 of each year of the 2017-2019 fiscal biennium, the Department of Public Instruction shall administer a one-time, lump sum bonus in the amount of three hundred eighty-five dollars (\$385.00) to any teacher with at least 25 years of teaching experience who is employed as of October 1 of the year the bonus is awarded.
 - (b) The bonuses awarded pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.
 - (c) Notwithstanding G.S. 135-1(7a), the bonuses awarded pursuant to this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.
-

1. *What are the basic requirements to be eligible for the \$385 bonus?*

All certified teachers and instructional support who are employed in a State funded position on October 1, 2017.

2. *Are charter school employees paid the \$385 Bonus?*

Charter school employees are not required to be paid according to the State salary schedules nor required to be paid the \$385. Salary and bonus payments are the decision of the board of the charter school.

3. *Do we determine the eligibility for the bonus based on the years on the license or their State service years? The example is a teacher that was a teacher assistant. She has 29 years of experience but is an A 18 on her license. We have a CTE teacher that has 24 years of experience but is an A 43.*

Eligibility is based on the educator years, ie. What step the teacher is on the salary schedule.

4. *Are locally funded and federally funded personnel eligible to be paid from state funds?*

No. The State Budget Act in G.S. 143C-6-6(b) essentially states that any salary, retirement/health, or death/disability adjustments are funded from the source of funds supporting the position. Therefore positions supported by local or federal funds need to be funded by local or federal funds.

VETERAN TEACHER BONUSES

Questions and Answers

Orig September 26, 2017

5. *Are central office certified teachers eligible for the \$385?*

Only teachers and instructional support who are required to be paid from the Legislated Teacher salary schedule are eligible for the bonus. If the LEA elects to use the salary schedule for central office employees who are not required to be paid from that schedule, they are not eligible from State funds.

6. *If an employee is employed after October 1, 2017, do they receive a pro rated bonus?*

No.

7. *If an employee has an effective retirement day of October 1, are they eligible?*

No.

8. *Are personnel who were NOT employed in fiscal year 2016-17 eligible to receive the bonus?*

Yes, provided they meet the criteria set above and they are employed on October 1, 2017 in a state funded position.

9. *Are employees on leave without pay eligible for the bonus?*

Employees on leave without pay receive the bonus when they return to pay status without a break in service by October 31st.

10. *What if the employee is on sick leave or some other extended absence?*

Yes, provided they are in pay status, they receive the \$385.

11. *Are part time employees eligible?*

Yes, part time employees are eligible for the \$385. The legislation does not require any pro ration, therefore they are eligible for the full \$385.

12. *If an employee resigns after October 1, 2017, will they receive the bonus?*

Yes, they will receive the full bonus.

VETERAN TEACHER BONUSES

Questions and Answers

Orig September 26, 2017

PAYMENT AND CODING

13. *How should the \$385 bonus be paid?*

It should be paid by October 31, 2017 as a lump sum payment.

14. *Where should the expenditures be posted?*

All bonus payments should be coded to **object code 180** – Bonus Pay (not subject to retirement) and the purpose code used for their regular salary.

- State funded personnel should be coded to **PRC 045**. This is an audited guaranteed allotment with the appropriate purpose code.
- Local funded personnel coded to local funds, determined by the LEA.
- Federally funded personnel to the federal grant from which their regular salary is paid

15. *If the employee is split funded between State and local, who pays?*

The State will pay for the percentage of State employment. The local funds is responsible for the remainder.

OTHER

16. *Is the \$385 bonus subject to retirement withholding and matching?*

No, the bonus is not considered compensation for retirement purposes and is NOT subject to retirement.

17. *Is the \$385 bonus subject to taxes?*

Yes, the bonus is considered income and is subject to applicable taxes.