

1 ENGROSSED HOUSE
2 BILL NO. 2074

By: Sears, Cannaday, Martin
(Steve) and Banz of the
House

3
4 and

Brown of the Senate

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8 An Act relating to the Teachers' Retirement System of
9 Oklahoma; amending 70 O.S. 2001, Section 17-116.10,
as last amended by Section 4, Chapter 315, O.S.L.
10 2004 (70 O.S. Supp. 2006, Section 17-116.10), which
relates to post-retirement earnings limitations;
11 modifying earnings limitations; providing an
effective date; and declaring an emergency.

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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 70 O.S. 2001, Section 17-116.10,
16 as last amended by Section 4, Chapter 315, O.S.L. 2004 (70 O.S.
17 Supp. 2006, Section 17-116.10), is amended to read as follows:

18 Section 17-116.10 A. Subject to the requirements of Section 6-
19 101.2 of this title and any other applicable requirements of law, a
20 member may enter into post-retirement employment with a public
21 school of Oklahoma and still receive monthly retirement benefits
22 subject to the following limitations:

23 1. A retired member is not eligible to be employed by the
24 public schools of Oklahoma, in any capacity, for sixty (60) calendar

1 days between the retiree's last day of pre-retirement public-
2 education employment and any post-retirement public-education
3 employment. For purposes of this section, the term "last day of
4 pre-retirement employment" shall mean the last day the employee is
5 required to be physically present on the job to complete the terms
6 of the employment contract or agreement. Employment under any
7 conditions during this time, volunteer services for the purpose of
8 obtaining a paid position at a later date, or payment at a later
9 time for services performed during this time period shall cause the
10 forfeiture of all retirement benefits received during the period;

11 2. Unless otherwise provided in paragraph 3 of this subsection,
12 earnings from the public schools may not exceed one-half (1/2) of
13 the member's final average salary used in computing retirement
14 benefits, or the Earnings Limitation for employees allowed by the
15 Social Security Administration, whichever is less. For retired
16 members under the age of sixty-two (62) years, the limit on allowed
17 earnings from the public schools of Oklahoma for employment for the
18 performance of duties ordinarily performed by classified or
19 nonclassified personnel shall be the lesser of Fifteen Thousand
20 Dollars (\$15,000.00) or one-half (1/2) of the member's final average
21 salary used in computing retirement benefits unless the earnings
22 limitation allowed by the Social Security Administration would be
23 greater than Fifteen Thousand Dollars (\$15,000.00). For retired
24 members sixty-two (62) years of age or older the limit on allowed

1 earnings from the public schools of Oklahoma for the performance of
2 duties ordinarily performed by classified or nonclassified personnel
3 shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one-
4 half (1/2) of the member's final average salary used in computing
5 retirement benefits. For purposes of this paragraph, the following
6 shall apply:

7 a. earnings shall mean "regular annual compensation" as
8 defined in paragraph (25) of Section 17-101 of this
9 title, and shall include any payment by a public
10 school for services rendered by a retired member who
11 is employed for any purpose whatsoever. Supplemental
12 retirement payments paid by a former public school
13 employer pursuant to subsection 9 of Section 17-105 of
14 this title or other state law shall not be considered
15 as earnings,

16 b. the Earnings Limitation for employees allowed by the
17 Social Security Administration to workers between the
18 age of sixty-two (62) years and sixty-five (65) years
19 shall apply to retired members below the age of sixty-
20 two (62) years,

21 c. the limit on allowed earnings from the public schools
22 shall be automatically adjusted effective the first
23 day of January of each year to reflect the current
24

- 1 Earnings Limitation for employees as determined from
2 time to time by the Social Security Administration,
3 d. earnings in excess of the maximum limit on allowed
4 earnings from public schools of Oklahoma shall result
5 in a loss of future retirement benefits for the year
6 the post-retirement employment was performed of One
7 Dollar (\$1.00) for each One Dollar (\$1.00) earned over
8 the maximum allowed earnings amount,
9 e. for those members age seventy (70) years and over, the
10 earnings in excess of the maximum limit allowed
11 earnings from public schools of Oklahoma shall be one-
12 half (1/2) the member's final average salary used in
13 computing retirement benefits. However, any retired
14 member receiving benefits from the Retirement System
15 who reached age seventy (70) years prior to July 1,
16 1991, shall not be restricted by the earnings limits
17 pursuant to this subparagraph until January 1, 1994.
18 To qualify for the provisions of this subparagraph,
19 the member must be employed less than one-half (1/2)
20 time compared to other full-time employees in similar
21 positions;

22 3. Notwithstanding paragraph 2 of this subsection, a retired
23 classified or nonclassified member who has been retired for thirty-
24 six (36) or more months and who is employed by a public school to

1 perform duties ordinarily performed by classified or nonclassified
2 personnel shall be able to receive annualized earnings from the
3 public school ~~not to exceed Thirty Thousand Dollars (\$30,000.00)~~
4 with no reduction in retirement benefits regardless of the amount of
5 annualized earnings; and

6 4. A member shall be considered to be employed by a school
7 district to perform the duties ordinarily performed by classified or
8 nonclassified personnel if the member is hired by the school
9 district in the member's individual capacity to perform the duties
10 or if the member performs the duties through employment with a
11 proprietorship, partnership, corporation, limited liability company
12 or partnership, or any other business structure that has agreed or
13 contracted to provide the services to the school district.

14 B. A public school district that employs a retired member shall
15 be required to make contributions to the System for the retired
16 member in an amount as required in Section 17-108.1 of this title.

17 C. For purposes of this section, post-retirement employment of
18 less than one thousand (1,000) hours per year with the Governor, the
19 State Senate, the House of Representatives or the Legislative
20 Service Bureau shall not be considered as post-retirement employment
21 with a public school of Oklahoma.

22 D. The Board of Trustees of the Teachers' Retirement System of
23 Oklahoma shall promulgate such rules as are necessary to implement
24 the provisions of this section.

