

THE HOUSE OF REPRESENTATIVES
Wednesday, March 5, 2008

House Bill No. 2074

HOUSE BILL NO. 2074 - By: SEARS of the House.

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

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

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

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

8 1. A retired member is not eligible to be employed by the public schools of
9 Oklahoma, in any capacity, for sixty (60) calendar days between the retiree's last day of
10 pre-retirement public-education employment and any post-retirement public-education
11 employment. For purposes of this section, the term "last day of pre-retirement
12 employment" shall mean the last day the employee is required to be physically present

1 on the job to complete the terms of the employment contract or agreement. Employment
2 under any conditions during this time, volunteer services for the purpose of obtaining a
3 paid position at a later date, or payment at a later time for services performed during
4 this time period shall cause the forfeiture of all retirement benefits received during the
5 period;

6 2. Unless otherwise provided in paragraph 3 of this subsection, earnings from the
7 public schools may not exceed one-half (1/2) of the member's final average salary used in
8 computing retirement benefits, or the Earnings Limitation for employees allowed by the
9 Social Security Administration, whichever is less. For retired members under the age of
10 sixty-two (62) years, the limit on allowed earnings from the public schools of Oklahoma
11 for employment for the performance of duties ordinarily performed by classified or
12 nonclassified personnel shall be the lesser of Fifteen Thousand Dollars (\$15,000.00) or
13 one-half (1/2) of the member's final average salary used in computing retirement benefits
14 unless the earnings limitation allowed by the Social Security Administration would be
15 greater than Fifteen Thousand Dollars (\$15,000.00). For retired members sixty-two (62)
16 years of age or older the limit on allowed earnings from the public schools of Oklahoma
17 for the performance of duties ordinarily performed by classified or nonclassified
18 personnel shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one-half (1/2) of
19 the member's final average salary used in computing retirement benefits. For purposes
20 of this paragraph, the following shall apply:

21 a. earnings shall mean "regular annual compensation" as defined in
22 paragraph (25) of Section 17-101 of this title, and shall include any

1 payment by a public school for services rendered by a retired member
2 who is employed for any purpose whatsoever. Supplemental
3 retirement payments paid by a former public school employer pursuant
4 to subsection 9 of Section 17-105 of this title or other state law shall
5 not be considered as earnings,

6 b. the Earnings Limitation for employees allowed by the Social Security
7 Administration to workers between the age of sixty-two (62) years and
8 sixty-five (65) years shall apply to retired members below the age of
9 sixty-two (62) years,

10 c. the limit on allowed earnings from the public schools shall be
11 automatically adjusted effective the first day of January of each year to
12 reflect the current Earnings Limitation for employees as determined
13 from time to time by the Social Security Administration,

14 d. earnings in excess of the maximum limit on allowed earnings from
15 public schools of Oklahoma shall result in a loss of future retirement
16 benefits for the year the post-retirement employment was performed of
17 One Dollar (\$1.00) for each One Dollar (\$1.00) earned over the
18 maximum allowed earnings amount,

19 e. for those members age seventy (70) years and over, the earnings in
20 excess of the maximum limit allowed earnings from public schools of
21 Oklahoma shall be one-half (1/2) the member's final average salary
22 used in computing retirement benefits. However, any retired member

1 receiving benefits from the Retirement System who reached age
2 seventy (70) years prior to July 1, 1991, shall not be restricted by the
3 earnings limits pursuant to this subparagraph until January 1, 1994.
4 To qualify for the provisions of this subparagraph, the member must
5 be employed less than one-half (1/2) time compared to other full-time
6 employees in similar positions;

7 3. Notwithstanding paragraph 2 of this subsection, a retired classified or
8 nonclassified member who has been retired for thirty-six (36) or more months and who is
9 employed by a public school to perform duties ordinarily performed by classified or
10 nonclassified personnel shall be able to receive annualized earnings from the public
11 school ~~not to exceed Thirty Thousand Dollars (\$30,000.00)~~ with no reduction in
12 retirement benefits regardless of the amount of annualized earnings; and

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

19 B. A public school district that employs a retired member shall be required to make
20 contributions to the System for the retired member in an amount as required in Section
21 17-108.1 of this title.

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

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

7 E. A member who has entered into post-retirement employment with a
8 participating employer of the Teachers' Retirement System of Oklahoma must fully
9 comply with all the provisions of the rules promulgated by the Board of Trustees
10 pursuant to this section in order to continue receiving his or her monthly retirement
11 benefit.

12 SECTION 2. This act shall become effective July 1, 2007.

13 SECTION 3. It being immediately necessary for the preservation of the public
14 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
15 this act shall take effect and be in full force from and after its passage and approval.

16 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND
17 FINANCIAL SERVICES, dated 03-04-08 - DO PASS.