

STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

HOUSE BILL 2883

By: Shelton

AS INTRODUCED

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. 2007, Section 17-116.10), which relates to postretirement earnings limitations; modifying reference; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 17-116.10, as last amended by Section 4, Chapter 315, O.S.L. 2004 (70 O.S. Supp. 2007, Section 17-116.10), is amended to read as follows:

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

1. A retired member is not eligible to be employed by the public schools of Oklahoma, in any capacity, for sixty (60) calendar days between the retiree's last day of preretirement public-

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

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

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

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

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

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

1 d. earnings in excess of the maximum limit on allowed
2 earnings from public schools of Oklahoma shall result
3 in a loss of future retirement benefits for the year
4 the postretirement employment was performed of One
5 Dollar (\$1.00) for each One Dollar (\$1.00) earned over
6 the maximum allowed earnings amount,

7 e. for those members age seventy (70) years and over, the
8 earnings in excess of the maximum limit allowed
9 earnings from public schools of Oklahoma shall be one-
10 half (1/2) the member's final average salary used in
11 computing retirement benefits. However, any retired
12 member receiving benefits from the Retirement System
13 who reached age seventy (70) years prior to July 1,
14 1991, shall not be restricted by the earnings limits
15 pursuant to this subparagraph until January 1, 1994.
16 To qualify for the provisions of this subparagraph,
17 the member must be employed less than one-half (1/2)
18 time compared to other full-time employees in similar
19 positions;

20 3. Notwithstanding paragraph 2 of this subsection, a retired
21 classified or nonclassified member who has been retired for thirty-
22 six (36) or more months and who is employed by a public school to
23 perform duties ordinarily performed by classified or nonclassified
24 personnel shall be able to receive annualized earnings from the

1 public school not to exceed Thirty Thousand Dollars (\$30,000.00);
2 and

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

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

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

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

22 E. A member who has entered into postretirement employment with
23 a participating employer of the Teachers' Retirement System of
24 Oklahoma must fully comply with all the provisions of the rules

1 promulgated by the Board of Trustees pursuant to this section in
2 order to continue receiving ~~his or her~~ the member's monthly
3 retirement benefit.

4 SECTION 2. This act shall become effective July 1, 2008.

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

9

10 51-2-9537 MAH 12/17/07

11

12

13

14

15

16

17

18

19

20

21

22

23

24