

STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

SENATE BILL 2168

By: Anderson

AS INTRODUCED

An Act relating to schools; providing for amount to be credited against employee contribution amounts for certain members; prescribing credit amounts; providing for division of amounts into monthly installments; providing for retention of certain amounts by Teachers' Retirement System of Oklahoma; requiring certain employers to make payment of additional compensation to employees; providing for applicable taxes; providing that additional compensation not be considered regular annual compensation for retirement purposes; providing additional compensation not be treated as minimum salary for certain purposes; prescribing procedures for preparation of payroll; requiring certain employers to make adjustments to deductions from gross salary paid; providing for applicable taxes; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-108.3 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Beginning July 1, 2008, and for each plan year thereafter, any nonclassified optional personnel employed by any school district or employed by a technology center school district who is a member

1 of the Teachers' Retirement System of Oklahoma, shall have credited  
 2 against the employee contribution amount, as applicable to the  
 3 amount of compensation paid to the nonclassified optional personnel,  
 4 an annual amount based upon qualifying years of service as follows:

5 YEARS OF SERVICE	CREDIT AMOUNT
6 1 to 5	25% of the employee contribution
7 6 to 10	50% of the employee contribution
8 11 to 15	75% of the employee contribution
9 16 or more	100% of the employee contribution

10 B. The state shall pick up and pay the annual amount prescribed  
 11 by subsection A of this section, based upon the conditions  
 12 prescribed by subsection A of this section, to the Teachers'  
 13 Retirement System of Oklahoma. The annual amount prescribed by  
 14 subsection A of this section shall be divided into monthly amounts  
 15 as may be required in order to give full effect to the credit amount  
 16 without the necessity of dividing the annual credit amount into  
 17 twelve (12) equal installments.

18 C. If an eligible nonclassified optional personnel terminates  
 19 service prior to June 30 of any applicable plan year, the amounts  
 20 prescribed by subsection A of this section, and transferred to the  
 21 Teachers' Retirement System of Oklahoma from the State Board of  
 22 Education and the State Board of Career and Technology Education  
 23 shall be retained by the Teachers' Retirement System of Oklahoma and  
 24 treated as an actuarial gain of the System.

1 D. If an employing school district has contractually committed  
2 to make payment of the employee contributions required by Section  
3 17-116.2 of Title 70 of the Oklahoma Statutes for a member who is  
4 eligible for the credit amount prescribed by subsection A of this  
5 section for the fiscal year, using funds available to the district  
6 and not by effecting the employee contribution through a deduction  
7 from the member's gross salary, the district shall pay additional  
8 compensation to each of its eligible nonclassified optional personnel  
9 in an amount equal to the amount prescribed by subsection A of this  
10 section based upon the number of years of working experience of the  
11 eligible member.

12 E. If an eligible member is hired by a school district or a  
13 technology center school district and receives compensation for less  
14 than one hundred eighty (180) days of service, the district shall  
15 determine a pro rata amount of the annual credit amount and shall  
16 pay additional compensation to the member equal to the pro rata  
17 amount for each month during which the member is employed. The  
18 monthly credit amount for such member shall be added to the member's  
19 compensation beginning with the first full month during which the  
20 member is employed by the district.

21 F. The amount required to be added to the compensation of the  
22 eligible member pursuant to subsection D of this section shall be  
23 subject to any applicable federal or state taxes upon the additional  
24 income.

1 G. The amount required to be added to the compensation of the  
2 eligible member pursuant to subsection D of this section shall not  
3 be treated as regular annual compensation for purposes of Section  
4 17-116.2 of Title 70 of the Oklahoma Statutes.

5 H. The employing district shall prepare its payroll records to  
6 reflect that the total employee contribution amount, for the salary  
7 not in excess of the applicable minimum salary amount, has been paid  
8 pursuant to a combination of the payment from the funds of the  
9 employing district and the amount credited to the employee  
10 contribution account of the member pursuant to subsection A of this  
11 section.

12 I. If an employing school district has contractually committed  
13 to deduct employee contributions required by Section 17-116.2 of  
14 Title 70 of the Oklahoma Statutes by effecting the employee  
15 contribution through a deduction from the member's gross salary, the  
16 district shall decrease the amount of the payroll deduction for such  
17 employee contribution by the amount as prescribed in subsection A of  
18 this section, based upon the number of years of working experience  
19 of the member. The amount required to be subtracted from the amount  
20 by which the employee's gross salary would otherwise be reduced  
21 pursuant to this subsection shall be subject to any applicable  
22 federal or state taxes. The employing district shall prepare its  
23 payroll records to reflect that the total employee contribution  
24 amount, for the salary not in excess of the applicable minimum

1 salary amount, has been paid pursuant to a combination of the  
2 deduction from the member's salary and the amount credited to the  
3 employee contribution account of the member pursuant to subsection A  
4 of this section.

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

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

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