

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 SENATE BILL 2121

By: Anderson

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5
6 AS INTRODUCED

7 An Act relating to Teachers Retirement System;
8 amending 70 O.S. Section 17-102, which relates to the
9 establishment of the Teachers' Retirement System of
10 Oklahoma; providing that obligations of System are
11 the exclusive responsibility of the State of
12 Oklahoma; amending 70 O.S. 2011, Section 17-116.10,
13 which relates to limitations on post-retirement
14 employment benefits; modifying earnings limit for
15 certain retired members; providing that exception for
16 employer contribution for employment of retired
17 members paid with federal funds; and providing an
18 effective date.

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

20 SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-102, is
21 amended to read as follows:

22 Section 17-102. A retirement system is hereby established and
23 placed under the management of the Board of Trustees for the purpose
24 of providing retirement allowances and other benefits under the
25 provisions of this act for teachers of the State of Oklahoma. Any
26 allowances and other benefits created by this act shall be the
27 exclusive obligation of the State of Oklahoma and compliance with
28 required accounting procedures including the Governmental Accounting

1 Standards Board (GASB) guidelines shall not be construed to impose
2 upon any school district of this state an obligation for any
3 unfunded liability of the system.

4 The Board of Trustees shall have the power and privileges of a
5 corporation and shall be known as the "Board of Trustees of the
6 Teachers' Retirement System of Oklahoma", and by such name all of
7 its business shall be transacted, all of its funds invested, and all
8 of its cash and securities and other property held in trust for the
9 purpose for which received.

10 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-116.10,
11 as last amended by Section 4, Chapter 101, O.S.L. 2013 (70 O.S.
12 Supp. 2013, Section 17-116.10), is amended to read as follows:

13 Section 17-116.10. A. Subject to the requirements of Section
14 6-101.2 of this title and any other applicable requirements of law,
15 a member may enter into post-retirement employment with a public
16 school of Oklahoma and still receive monthly retirement benefits
17 subject to the following limitations:

18 1. A retired member is not eligible to be employed by the
19 public schools of Oklahoma, in any capacity, for sixty (60) calendar
20 days between the retiree's last day of pre-retirement public-
21 education employment and any post-retirement public-education
22 employment. For purposes of this section, the term "last day of
23 pre-retirement employment" shall mean the last day the employee is
24 required to be physically present on the job to complete the terms

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

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

1 salary used in computing retirement benefits. For purposes of this
2 paragraph, the following shall apply:

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

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

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

22 d. the earnings limit for the calendar year in which a
23 member retires shall be one-twelfth (1/12) of the
24 annual limit multiplied by the number of months the

1 member is eligible to work and receive payments from
2 the public schools of Oklahoma,

3 e. 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 f. 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 with no reduction in retirement benefits regardless of
4 the amount of annualized earnings; and

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

13 B. A Except as otherwise provided by this subsection, a public
14 school district that employs a retired member shall be required to
15 make contributions to the System for the retired member in an amount
16 as required in Section 17-108.1 and in paragraph 3 of subsection B
17 of Section 17-116.2 of this title. Provided that a public school
18 district that employs a retired member whose compensation is paid
19 from federal funds shall not be required to make such contributions
20 to the System for said member.

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

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

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

11 SECTION 3. This act shall become effective November 1, 2014.

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