

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

SENATE BILL 694

By: Jech

AS INTRODUCED

An Act relating to teacher retirement; amending 70 O.S. 2011, Section 17-116.10, as last amended by Section 2, Chapter 270, O.S.L. 2017 (70 O.S. Supp. 2020, Section 17-116.10), which relates to postretirement employment; modifying limit on allowed earnings for certain retired members.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-116.10, as last amended by Section 2, Chapter 270, O.S.L. 2017 (70 O.S. Supp. 2020, 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 education employment and any postretirement public education

1 employment. For purposes of this section, the term "last day of  
2 preretirement employment" shall mean the last day the employee is  
3 required to be physically present on the job to complete the terms  
4 of the employment contract or agreement. An employee on paid leave  
5 is still considered to be employed for purposes of this section.  
6 Employment under any conditions during this time, volunteer services  
7 for the purpose of obtaining a paid position at a later date, or  
8 payment at a later time for services performed during this time  
9 period shall cause the forfeiture of all retirement benefits  
10 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)~~ Twenty-five Thousand Dollars (\$25,000.00) or  
21 one-half (1/2) of the member's final average salary used in  
22 computing retirement benefits unless the earnings limitation allowed  
23 by the Social Security Administration would be greater than ~~Fifteen~~  
24 ~~Thousand Dollars (\$15,000.00)~~ Twenty-five Thousand Dollars

1 (\$25,000.00). For retired members sixty-two (62) years of age or  
2 older the limit on allowed earnings from the public schools of  
3 Oklahoma for the performance of duties ordinarily performed by  
4 classified or nonclassified personnel shall be the lesser of Thirty  
5 Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's  
6 final average salary used in computing retirement benefits. For  
7 purposes of this paragraph, the following shall apply:

- 8       a. earnings shall mean "regular annual compensation" as  
9       defined in paragraph (25) of Section 17-101 of this  
10       title, and shall include any payment by a public  
11       school for services rendered by a retired member who  
12       is employed for any purpose whatsoever. Supplemental  
13       retirement payments paid by a former public school  
14       employer pursuant to subsection 9 of Section 17-105 of  
15       this title or other state law shall not be considered  
16       as earnings,
- 17       b. the Earnings Limitation for employees allowed by the  
18       Social Security Administration to workers between the  
19       age of sixty-two (62) years and sixty-five (65) years  
20       shall apply to retired members below the age of sixty-  
21       two (62) years,
- 22       c. the limit on allowed earnings from the public schools  
23       shall be automatically adjusted effective the first  
24       day of January of each year to reflect the current

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

1           time compared to other full-time employees in similar  
2           positions;

3           3. Notwithstanding paragraph 2 of this subsection, a retired  
4           classified or nonclassified member who has been retired for thirty-  
5           six (36) or more months and who is employed by a public school to  
6           perform duties ordinarily performed by classified or nonclassified  
7           personnel shall be able to receive annualized earnings from the  
8           public school with no reduction in retirement benefits regardless of  
9           the amount of annualized earnings. For a period of three (3) years  
10          beginning July 1, 2017, members who have retired as of July 1, 2017,  
11          as active classroom teachers, who have been retired and receiving a  
12          benefit for at least one (1) year, and who have not been employed by  
13          any public school during that one-year period, shall be eligible to  
14          be reemployed as an active classroom teacher in common or career  
15          tech school districts, with no limitations on earnings. The one-  
16          year period starts with the retiree's last day of preretirement  
17          public education employment. Members returning under this section  
18          shall not be subject to any earning limitations following the end of  
19          the three-year period described in this paragraph. Members  
20          returning under this section shall only be employed pursuant to a  
21          temporary contract; and

22          4. A member shall be considered to be employed by a school  
23          district to perform the duties ordinarily performed by classified or  
24          nonclassified personnel if the member is hired by the school

1 district in the member's individual capacity to perform the duties  
2 or if the member performs the duties through employment with a  
3 proprietorship, partnership, corporation, limited liability company  
4 or partnership, or any other business structure that has agreed or  
5 contracted to provide the services to the school district.

6 B. A public school district that employs a retired member shall  
7 be required to make contributions to the System for the retired  
8 member in an amount as required in Section 17-108.1 and in paragraph  
9 3 of subsection B of Section 17-116.2 of this title.

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

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

18 E. A member who has entered into postretirement employment with  
19 a participating employer of the Teachers' Retirement System of  
20 Oklahoma must fully comply with all the provisions of the rules  
21 promulgated by the Board of Trustees pursuant to this section in  
22 order to continue receiving his or her monthly retirement benefit.  
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