

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

HOUSE BILL 1461

By: Wallace

AS INTRODUCED

An Act relating to the Teachers' Retirement System of Oklahoma; amending 70 O.S. 2011, Section 17-116.10, as last amended by Section 4, Chapter 101, O.S.L. 2013 (70 O.S. Supp. 2014, Section 17-116.10), which relates to post-retirement earnings limitations; modifying amount and applicability of limitation; 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. 2011, Section 17-116.10, as last amended by Section 4, Chapter 101, O.S.L. 2013 (70 O.S. Supp. 2014, 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 post-retirement 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

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

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

1 Administration would be greater than ~~Fifteen Thousand Dollars~~
2 ~~(\$15,000.00)~~ Thirty Thousand Dollars (\$30,000.00). For retired
3 members sixty-two (62) years of age or older the limit on allowed
4 earnings from the public schools of Oklahoma for the performance of
5 duties ordinarily performed by classified or nonclassified personnel
6 shall be the lesser of ~~Thirty Thousand Dollars (\$30,000.00)~~ Forty
7 Thousand Dollars (\$40,000.00) or ~~one-half (1/2)~~ of the member's
8 final average salary used in computing retirement benefits. For
9 purposes of this paragraph, the following shall apply:

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

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

1 pursuant to this subparagraph until January 1, 1994.

2 To qualify for the provisions of this subparagraph,
3 the member must be employed less than one-half (1/2)
4 time compared to other full-time employees in similar
5 positions;

6 3. Notwithstanding paragraph 2 of this subsection, a retired
7 classified or nonclassified member who has been retired for thirty-
8 six (36) or more months and who is employed by a public school to
9 perform duties ordinarily performed by classified or nonclassified
10 personnel shall be able to receive annualized earnings from the
11 public school with no reduction in retirement benefits regardless of
12 the amount of annualized earnings; and

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

21 B. A public school district that employs a retired member shall
22 be required to make contributions to the System for the retired
23 member in an amount as required in Section 17-108.1 and in paragraph
24 3 of subsection B of Section 17-116.2 of this title.

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

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

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

14 SECTION 2. This act shall become effective July 1, 2015.

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

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20 55-1-6553 JM 01/20/15

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January 8, 2015

Representative K. Wallace
Room No. 246B

Re: RBH No. 6553

RBH No. 6553 would increase the earnings limitations for a retired OTRS participants and still continue to receive an OTRS retirement benefits.

RBH No.6553 is a fiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

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