

SENATE FLOOR VERSION

February 22, 2021

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 683

By: Kidd

An Act relating to teachers' retirement; amending 70 O.S. 2011, Section 17-103, as amended by Section 1, Chapter 141, O.S.L. 2019 (70 O.S. Supp. 2020, Section 17-103), which relates to membership in the Teachers' Retirement System of Oklahoma; modifying requirement for nonclassified optional personnel to join System; removing requirement for permitting certain contributions; authorizing certain nonclassified optional personnel to join System upon hiring; updating statutory language; specifying procedures for nonclassified optional personnel to join or opt out of System; specifying certain required contributions be made by certain employees and employers; construing provision; specifying election to opt out of System be permanent; providing exception; and requiring nonclassified optional personnel make certain election to participate in System.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-103, as amended by Section 1, Chapter 141, O.S.L. 2019 (70 O.S. Supp. 2020, Section 17-103), is amended to read as follows:

Section 17-103. Except as provided in the Alternate Retirement Plan for Comprehensive Universities Act, the membership of the retirement system shall consist of the following:

1 ~~(1)~~ A. All classified personnel shall become members of the
2 retirement system as a condition of their employment;

3 ~~(2)~~ All B. For the period from August 2, 1969 to the effective
4 date of this act, all full-time nonclassified optional personnel
5 regularly employed for more than one (1) year may join the Teachers'
6 Retirement System of Oklahoma subject to the rules and regulations
7 adopted pursuant to ~~this act.~~ ~~Subject to the outcome of the private~~
8 ~~letter ruling request (2003) submitted by the Board of Trustees to~~
9 ~~the Internal Revenue Service (2001), the retirement system shall~~
10 ~~permit eligible nonclassified optional personnel who have ceased to~~
11 ~~make otherwise required employee contributions after having made an~~
12 ~~election to become a member of the retirement system to resume~~
13 ~~employee contributions. No service shall be credited to any such~~
14 ~~member for any period of time during which employee contributions~~
15 ~~were not made;~~ the Teachers' Retirement System. On or after the
16 effective date of this act, all nonclassified optional personnel
17 regularly employed for twenty (20) hours or more per week may join
18 the System upon hiring, subject to the provisions of subsection C of
19 this section and the rules and regulations adopted by the System
20 pursuant to this act.

21 ~~(3)~~ ~~All persons who shall become classified personnel or who~~
22 ~~are regularly employed in any school system as new classified~~
23 ~~personnel after July 1, 1943, hereof, shall become members of the~~
24 ~~retirement system as a condition of their employment;~~

1 ~~(4) All other regular school employees may join the Teachers'~~
2 ~~Retirement System subject to the rules and regulations as may be~~
3 ~~adopted by the Board of Trustees of the Teachers' Retirement System;~~

4 C. 1. A nonclassified optional employee shall have thirty (30)
5 days from the initial date of hire to make a one-time irrevocable
6 written election to opt out of participation in the System. If an
7 eligible employee fails to make an election within the thirty-day
8 period, the eligible employee shall be deemed to participate in the
9 System.

10 2. If an eligible employee elects to opt out of participation
11 in the System, the employee shall not make any required employee
12 contributions to the System and his or her employer shall not make
13 any required employer contributions to the System.

14 3. If an eligible nonclassified optional employee elects to
15 participate in the System, the employee shall make employee
16 contributions to the System pursuant to Section 17-116.2 of this
17 title and the employer shall make employer contributions to the
18 System pursuant to Section 17-108.1 of this title. Nothing in this
19 paragraph shall be construed to prohibit the employer from making
20 the contribution of the employee to the System on behalf of the
21 employee.

22 4. A nonclassified optional employee who opts out of
23 participation in the System shall be ineligible for future
24 participation in the System; provided, however, that if the employee

1 is hired for a classified position, he or she shall become a member
2 of the System pursuant to subsection A of this section but shall not
3 be eligible for prior service credit for service performed while
4 employed in a nonclassified position during which the employee opted
5 out of participation in the System.

6 5. Any nonclassified optional employee employed on the
7 effective date of this act shall make an irrevocable written
8 election to participate in or opt out of the System pursuant to
9 paragraph 1 of this subsection. If the employee fails to make an
10 election within thirty (30) days from the effective date of this
11 act, the employee shall be deemed to participate in the System,
12 subject to the provisions of paragraph 3 of this subsection.

13 ~~(5)~~ D. The Board of Trustees may, in its discretion, deny the
14 right to become members to any class of members whose compensation
15 is only partly paid by the state, or who is serving on a temporary
16 or other than per annum basis, and it also may, in its discretion,
17 make optional with members in any such class their individual
18 entrance into the retirement system.

19 ~~(6)~~ E. Should any member, with less than ten (10) years of
20 teaching service in Oklahoma, in any period of six (6) consecutive
21 years after becoming a member be absent from service more than five
22 (5) years, withdraw his or her contributions, retire or die, he or
23 she shall thereupon cease to be a member. The provisions of this
24 paragraph shall not apply to any member of the Teachers' Retirement

1 System who has been a member of such classes of military services as
2 may be approved by the Board of Trustees, until a period of one and
3 one-half (1 1/2) years from date of termination of such service
4 shall have elapsed; ~~and~~.

5 ~~(7)~~ F. Effective November 1, 2019, a retired member of the
6 Teachers' Retirement System who becomes employed by the State
7 Department of Education for the first time on or after November 1,
8 2019, shall have the option to remain a member of the Teachers'
9 Retirement System subject to any applicable limitations placed on
10 retired members returning to work or may choose to participate in
11 the Oklahoma Public Employees Retirement System as an active member.

12 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
13 February 22, 2021 - DO PASS AS AMENDED
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