

SENATE FLOOR VERSION

February 21, 2023

SENATE BILL NO. 964

By: Kidd

An Act relating to Teachers' Retirement System of Oklahoma; amending 70 O.S. 2021, Section 17-116.10, which relates to postretirement employment; and authorizing certain retired members to return to employment in public schools for certain time period with no earning limitations; and providing an effective date.

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

SECTION 1. AMENDATORY 70 O.S. 2021, 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 employment. For purposes of this section, the term "last day of

1 preretirement employment" shall mean the last day the employee is
2 required to be physically present on the job to complete the terms
3 of the employment contract or agreement. An employee on paid leave
4 is still considered to be employed for purposes of this section.
5 Employment under any conditions during this time, volunteer services
6 for the purpose of obtaining a paid position at a later date, or
7 payment at a later time for services performed during this time
8 period shall cause the forfeiture of all retirement benefits
9 received during the period;

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

1 Oklahoma for the performance of duties ordinarily performed by
2 classified or nonclassified personnel shall be the lesser of Thirty
3 Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's
4 final average salary used in computing retirement benefits. For
5 purposes of this paragraph, the following shall apply:

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

14 f. for those members age seventy (70) years and over, the
15 earnings in excess of the maximum limit on 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 Teachers'
20 Retirement System of Oklahoma who reached age seventy
21 (70) years prior to July 1, 1991, shall not be
22 restricted by the earnings limits pursuant to this
23 subparagraph until January 1, 1994. To qualify for
24 the provisions of this subparagraph, the member must

1 be employed less than one-half (1/2) time compared to
2 other full-time employees in similar 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. For a
16 period of three (3) years beginning July 1, 2021, members who have
17 retired as of July 1, 2020, who have been retired and receiving a
18 benefit for at least one (1) year, and who have not been employed by
19 any public school during that one-year period, shall be eligible to
20 be reemployed as an active classroom teacher in common or career
21 tech school districts, with no limitations on earnings. The one-
22 year period starts with the retiree's last day of preretirement
23 public education employment. On and after the effective date of
24 this act, members who have been retired and receiving benefits for

1 at least one (1) year, notwithstanding the member's retirement date,
2 and who have not been employed by any public school during that one-
3 year period, shall be eligible to be reemployed as an active
4 classroom teacher in common or career tech school districts, with no
5 limitations on earnings, for a period of three (3) years. Members
6 returning under this section shall not be subject to any earning
7 limitations following the end of the three-year periods described in
8 this paragraph. Members returning under this section shall only be
9 employed pursuant to a temporary contract; and

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

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

22 C. For purposes of this section, postretirement employment of
23 less than one thousand (1,000) hours per year with the Governor, the
24 ~~State~~ Senate, the House of Representatives or the Legislative

1 Service Bureau shall not be considered as postretirement 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 postretirement employment with
7 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 2. This act shall become effective November 1, 2023.

12 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
13 February 21, 2023 - DO PASS

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