

HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

ENGROSSED SENATE
BILL NO. 267

By: Pemberton, Jech, Pederson
and Stephens of the Senate

and

Nollan of the House

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; authorizing certain retired members to return to employment in public schools during certain time period with no earning limitations.

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 1. A retired member is not eligible to be employed by the
2 public schools of Oklahoma, in any capacity, for sixty (60) calendar
3 days between the retiree's last day of preretirement public
4 education employment and any postretirement public education
5 employment. For purposes of this section, the term "last day of
6 preretirement employment" shall mean the last day the employee is
7 required to be physically present on the job to complete the terms
8 of the employment contract or agreement. An employee on paid leave
9 is still considered to be employed for purposes of this section.
10 Employment under any conditions during this time, volunteer services
11 for the purpose of obtaining a paid position at a later date, or
12 payment at a later time for services performed during this time
13 period shall cause the forfeiture of all retirement benefits
14 received during the period;

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

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

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

20 b. the Earnings Limitation for employees allowed by the
21 Social Security Administration to workers between the
22 age of sixty-two (62) years and sixty-five (65) years
23 shall apply to retired members below the age of sixty-
24 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 postretirement 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. For a period of three (3) years
13 beginning July 1, 2017, members who have retired as of July 1, 2017,
14 as active classroom teachers, who have been retired and receiving a
15 benefit for at least one (1) year, and who have not been employed by
16 any public school during that one-year period, shall be eligible to
17 be reemployed as an active classroom teacher in common or career
18 tech school districts, with no limitations on earnings. For a
19 period of three (3) years beginning July 1, 2021, members who have
20 retired as of July 1, 2020, who have been retired and receiving a
21 benefit for at least one (1) year, and who have not been employed by
22 any public school during that one-year period, shall be eligible to
23 be reemployed as an active classroom teacher in common or career
24 tech school districts, with no limitations on earnings. The one-

1 year period starts with the retiree's last day of preretirement
2 public education employment. Members returning under this section
3 shall not be subject to any earning limitations following the end of
4 the three-year ~~period~~ periods described in this paragraph. Members
5 returning under this section shall only be employed pursuant to a
6 temporary contract; and

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

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

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

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

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

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10 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
11 PENSIONS, dated 04/05/2021 - DO PASS.

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