

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL NO. 26

By: Bullard of the Senate

and

Wolfley of the House

COMMITTEE SUBSTITUTE

An Act relating to the Teachers' Retirement System of Oklahoma; amending 70 O.S. 2021, Section 17-116.10, as amended by Section 9, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2024, Section 17-116.10), which relates to postretirement employment; authorizing certain postretirement employment for certain time period with no earnings limitation; requiring employer to withhold certain amount from postretirement earnings for certain deposit; updating statutory language; updating statutory references; 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. 2021, Section 17-116.10, as amended by Section 9, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2024, 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

1 school of Oklahoma and still receive monthly retirement benefits  
2 subject to the following limitations:

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

18 2. For thirty-six (36) months following a member's effective  
19 retirement date, the retired member shall be subject to earnings  
20 limitations on allowable earnings. Earnings limits are determined  
21 annually based on a calendar year. For retired members under the  
22 age of sixty-two (62) years, allowed earnings from the public  
23 schools of Oklahoma for employment for the performance of duties  
24 ordinarily performed by classified or nonclassified optional

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

12       a. earnings shall mean regular annual compensation as  
13       defined in paragraph 23 of Section 17-101 of this  
14       title, and shall include any payment by a public  
15       school for services rendered by a retired member who  
16       is employed for any purpose whatsoever. Supplemental  
17       retirement payments paid by a former public school  
18       employer pursuant to subsection N of Section 17-105 of  
19       this title or other state law shall not be considered  
20       as earnings,

21       b. the earnings limit for the calendar year in which a  
22       member retires shall be one-twelfth (1/12) of the  
23       annual limit multiplied by the number of months the  
24

1 member is eligible to work and receive payments from  
2 the public schools of Oklahoma, and

- 3 c. earnings in excess of the maximum limit on allowed  
4 earnings from public schools of Oklahoma shall result  
5 in a loss of retirement benefits of One Dollar (\$1.00)  
6 for each One Dollar (\$1.00) earned over the maximum  
7 allowed earnings amount;

8 3. Notwithstanding paragraph 2 of this subsection~~7~~:

- 9 a. for a period of three (3) years beginning July 1,  
10 2017, members who have retired as of July 1, 2017, as  
11 active classroom teachers, who have been retired and  
12 receiving a benefit for at least one (1) year, and who  
13 have not been employed by any public school during  
14 that one-year period, shall be eligible to be  
15 reemployed as an active classroom teacher in common or  
16 career tech school districts, with no limitations on  
17 earnings~~7~~,

- 18 b. ~~For~~ for a period of three (3) years beginning July 1,  
19 2021, members who have retired as of July 1, 2020, who  
20 have been retired and receiving a benefit for at least  
21 one (1) year, and who have not been employed by any  
22 public school during that one-year period, shall be  
23 eligible to be reemployed as an active classroom  
24 teacher in common or career tech school districts,

1 with no limitations on earnings. The one-year period  
2 starts with the retiree's last day of preretirement  
3 public education employment. Members returning under  
4 this ~~section~~ subparagraph shall not be subject to any  
5 earnings limitations following the end of the three-  
6 year periods described in this ~~paragraph~~ subparagraph.  
7 Members returning under this ~~section~~ subparagraph  
8 shall only be employed pursuant to a temporary  
9 contract, and

10 c. a member who has retired and has received benefits for  
11 at least ninety (90) days shall be eligible to be  
12 reemployed as an active classroom teacher in common or  
13 career tech school districts with no limitations on  
14 earnings for a period of three (3) years following the  
15 effective date of this act. Provided, a retiree who  
16 is reemployed under this subparagraph may not be  
17 employed as an active classroom teacher in common or  
18 career tech school districts during the ninety-day  
19 period prior to reemployment. The ninety-day period  
20 shall commence on the date of the retiree's last day  
21 of preretirement public education employment.  
22 Provided further, and notwithstanding a fee of three  
23 percent (3%) remitted to the retirement system from  
24 the employee's check each pay period, the employee

1           shall not receive additional retirement benefits  
2           during the postretirement employment period under this  
3           subparagraph; and

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

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

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

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

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

6 SECTION 2. This act shall become effective July 1, 2025.

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

11

12 60-1-1630 RD 2/21/2025 9:02:53 AM

13

14

15

16

17

18

19

20

21

22

23

24