

## STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

HOUSE BILL 1364

By: Griffith

AS INTRODUCED

An Act relating to 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 restrictions related to post-retirement earnings; 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 may not exceed one-half (1/2) of  
13 the member's final average salary used in computing retirement  
14 benefits, or the Earnings Limitation for employees allowed by the  
15 Social Security Administration, whichever is less. For retired  
16 members under the age of sixty-two (62) years, the limit on allowed  
17 earnings from the public schools of Oklahoma for employment for the  
18 performance of duties ordinarily performed by classified or  
19 nonclassified personnel shall be the lesser of ~~Fifteen Thousand~~  
20 ~~Dollars (\$15,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00) or  
21 one-half (1/2) of the member's final average salary used in  
22 computing retirement benefits unless the earnings limitation allowed  
23 by the Social Security Administration would be greater than ~~Fifteen~~  
24 ~~Thousand Dollars (\$15,000.00)~~ Twenty-five Thousand Dollars

1 (\$25,000.00). For retired members sixty-two (62) years of age or  
2 older the limit on allowed earnings from the public schools of  
3 Oklahoma for the performance of duties ordinarily performed by  
4 classified or nonclassified personnel shall be the lesser of Thirty  
5 Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's  
6 final average salary used in computing retirement benefits. For  
7 purposes of this paragraph, the following shall apply:

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

- 1 Earnings Limitation for employees as determined from  
2 time to time by the Social Security 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 post-retirement employment was performed of One  
12 Dollar (\$1.00) for each One Dollar (\$1.00) earned over  
13 the maximum allowed earnings amount,  
14 f. for those members age seventy (70) years and over, the  
15 earnings in excess of the maximum limit 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 Retirement System  
20 who reached age seventy (70) years prior to July 1,  
21 1991, shall not be restricted by the earnings limits  
22 pursuant to this subparagraph until January 1, 1994.  
23 To qualify for the provisions of this subparagraph,  
24 the member must be employed less than one-half (1/2)

1           time compared to other full-time employees in similar  
2           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; 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, post-retirement 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 post-retirement 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 post-retirement employment  
7 with 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 July 1, 2015.

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

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17 55-1-5724 JM 12/30/14

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January 8, 2015

Representative C. Griffith  
Room No. 539

Re: RBH No. 5724

RBH No. 5724 would increase the earnings limitation for a retired OTRS participant and still continue to receive an OTRS retirement benefit to \$25,000.

RBH No. 5724 is a fiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

*Thomas E. Cummins*

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