

SENATE FLOOR VERSION

February 6, 2024

SENATE BILL NO. 1520

By: Pemberton of the Senate

and

Hays of the House

An Act relating to the Teachers' Retirement System of Oklahoma; amending 70 O.S. 2021, Section 17-116.10, which relates to postretirement employment; modifying earnings limitation for certain retirees returning to work in a public school; 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, 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 of the Teachers' Retirement System of Oklahoma 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

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

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

1 (\$15,000.00). 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. On and
7 after the effective date of this act, for retired members under the
8 age of sixty-two (62) years, the limit on allowed earnings from the
9 public schools of Oklahoma for employment for the performance of
10 duties ordinarily performed by classified or nonclassified personnel
11 shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one-
12 half (1/2) of the member's final average salary used in computing
13 retirement benefits unless the earnings limitation allowed by the
14 Social Security Administration would be greater than Thirty Thousand
15 Dollars (\$30,000.00). On and after the effective date of this act,
16 for retired members sixty-two (62) years of age or older, the limit
17 on allowed earnings from the public schools of Oklahoma for the
18 performance of duties ordinarily performed by classified or
19 nonclassified personnel shall be the lesser of Fifty-five Thousand
20 Dollars (\$55,000.00) or one-half (1/2) of the member's final average
21 salary used in computing retirement benefits. For purposes of this
22 paragraph, the following shall apply:

- 23 a. earnings shall mean "regular annual compensation" as
24 defined in paragraph (25) of Section 17-101 of this

1 title, and shall include any payment by a public
2 school for services rendered by a retired member who
3 is employed for any purpose whatsoever. Supplemental
4 retirement payments paid by a former public school
5 employer pursuant to subsection 9 of Section 17-105 of
6 this title or other state law shall not be considered
7 as earnings,

8 b. the ~~Earnings Limitation~~ earnings limitation for
9 employees allowed by the Social Security
10 Administration to workers between the age of sixty-two
11 (62) years and sixty-five (65) years shall apply to
12 retired members below the age of sixty-two (62) years,

13 c. the limit on allowed earnings from the public schools
14 shall be automatically adjusted effective the first
15 day of January of each year to reflect the current
16 ~~Earnings Limitation~~ earnings limitation for employees
17 as determined from time to time by the Social Security
18 Administration,

19 d. the earnings limit for the calendar year in which a
20 member retires shall be one-twelfth (1/12) of the
21 annual limit multiplied by the number of months the
22 member is eligible to work and receive payments from
23 the public schools of Oklahoma,

24

1 e. earnings in excess of the maximum limit on allowed
2 earnings from public schools of Oklahoma shall result
3 in a loss of future retirement benefits for the year
4 the postretirement employment was performed of One
5 Dollar (\$1.00) for each One Dollar (\$1.00) earned over
6 the maximum allowed earnings amount, and

7 f. for those members age seventy (70) years and over, the
8 earnings in excess of the maximum limit allowed
9 earnings from public schools of Oklahoma shall be one-
10 half (1/2) the member's final average salary used in
11 computing retirement benefits. However, any retired
12 member receiving benefits from the Retirement System
13 who reached age seventy (70) years prior to July 1,
14 1991, shall not be restricted by the earnings limits
15 pursuant to this subparagraph until January 1, 1994.
16 To qualify for the provisions of this subparagraph,
17 the member must be employed less than one-half (1/2)
18 the time compared to other full-time employees in
19 similar positions;

20 3. Notwithstanding paragraph 2 of this subsection, a retired
21 classified or nonclassified member who has been retired for thirty-
22 six (36) or more months and who is employed by a public school to
23 perform duties ordinarily performed by classified or nonclassified
24 personnel shall be able to receive annualized earnings from the

1 public school with no reduction in retirement benefits regardless of
2 the amount of annualized earnings. For a period of three (3) years
3 beginning July 1, 2017, members who have retired as of July 1, 2017,
4 as active classroom teachers, who have been retired and receiving a
5 benefit for at least one (1) year, and who have not been employed by
6 any public school during that one-year period, shall be eligible to
7 be reemployed as an active classroom teacher in common or career
8 tech school districts, with no limitations on earnings. For a
9 period of three (3) years beginning July 1, 2021, members who have
10 retired as of July 1, 2020, who have been retired and receiving a
11 benefit for at least one (1) year, and who have not been employed by
12 any public school during that one-year period, shall be eligible to
13 be reemployed as an active classroom teacher in common or career
14 tech school districts, with no limitations on earnings. The one-
15 year period starts with the retiree's last day of preretirement
16 public education employment. Members returning under this section
17 shall not be subject to any ~~earning limitations~~ earnings limitation
18 following the end of the three-year periods described in this
19 paragraph. Members returning under this section shall only be
20 employed pursuant to a temporary contract; and

21 4. A member shall be considered to be employed by a school
22 district to perform the duties ordinarily performed by classified or
23 nonclassified personnel if the member is hired by the school
24 district in the member's individual capacity to perform the duties

1 or if the member performs the duties through employment with a
2 proprietorship, partnership, corporation, limited liability company
3 or partnership, or any other business structure that has agreed or
4 contracted to provide the services to the school district.

5 B. A public school district that employs a retired member shall
6 be required to make contributions to the System for the retired
7 member in an amount as required in Section 17-108.1 and in paragraph
8 3 of subsection B of Section 17-116.2 of this title.

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

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

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

22 SECTION 2. This act shall become effective July 1, 2024.

23 SECTION 3. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
4 February 6, 2024 - DO PASS
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