

# An Act

ENROLLED SENATE  
BILL NO. 891

By: Mazzei and Ford of the  
Senate

and

McDaniel (Randy) of the  
House

An Act relating to the Teachers' Retirement System of Oklahoma; amending 70 O.S. 2001, Section 17-116.10, as last amended by Section 1, Chapter 270, O.S.L. 2008 (70 O.S. Supp. 2010, Section 17-116.10), which relates to postretirement employment; requiring school districts that employ certain persons to make additional contribution; and providing an effective date.

SUBJECT: Teachers' Retirement System of Oklahoma

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 17-116.10, as last amended by Section 1, Chapter 270, O.S.L. 2008 (70 O.S. Supp. 2010, 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 days between the retiree's last day of pre-retirement public-education employment and any post-retirement public-education

employment. For purposes of this section, the term "last day of pre-retirement employment" shall mean the last day the employee is required to be physically present on the job to complete the terms of the employment contract or agreement. Employment under any conditions during this time, volunteer services for the purpose of obtaining a paid position at a later date, or payment at a later time for services performed during this time period shall cause the forfeiture of all retirement benefits received during the period;

2. Unless otherwise provided in paragraph 3 of this subsection, earnings from the public schools may not exceed one-half (1/2) of the member's final average salary used in computing retirement benefits, or the Earnings Limitation for employees allowed by the Social Security Administration, whichever is less. For retired members under the age of sixty-two (62) years, the limit on allowed earnings from the public schools of Oklahoma for employment for the performance of duties ordinarily performed by classified or nonclassified personnel shall be the lesser of Fifteen Thousand Dollars (\$15,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits unless the earnings limitation allowed by the Social Security Administration would be greater than Fifteen Thousand Dollars (\$15,000.00). For retired members sixty-two (62) years of age or older the limit on allowed earnings from the public schools of Oklahoma for the performance of duties ordinarily performed by classified or nonclassified personnel shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits. For purposes of this paragraph, the following shall apply:

- a. earnings shall mean "regular annual compensation" as defined in paragraph (25) of Section 17-101 of this title, and shall include any payment by a public school for services rendered by a retired member who is employed for any purpose whatsoever. Supplemental retirement payments paid by a former public school employer pursuant to subsection 9 of Section 17-105 of this title or other state law shall not be considered as earnings,
- b. the Earnings Limitation for employees allowed by the Social Security Administration to workers between the

age of sixty-two (62) years and sixty-five (65) years shall apply to retired members below the age of sixty-two (62) years,

- c. the limit on allowed earnings from the public schools shall be automatically adjusted effective the first day of January of each year to reflect the current Earnings Limitation for employees as determined from time to time by the Social Security Administration,
- d. earnings in excess of the maximum limit on allowed earnings from public schools of Oklahoma shall result in a loss of future retirement benefits for the year the post-retirement employment was performed of One Dollar (\$1.00) for each One Dollar (\$1.00) earned over the maximum allowed earnings amount,
- e. for those members age seventy (70) years and over, the earnings in excess of the maximum limit allowed earnings from public schools of Oklahoma shall be one-half (1/2) the member's final average salary used in computing retirement benefits. However, any retired member receiving benefits from the Retirement System who reached age seventy (70) years prior to July 1, 1991, shall not be restricted by the earnings limits pursuant to this subparagraph until January 1, 1994. To qualify for the provisions of this subparagraph, the member must be employed less than one-half (1/2) time compared to other full-time employees in similar positions;

3. Notwithstanding paragraph 2 of this subsection, a retired classified or nonclassified member who has been retired for thirty-six (36) or more months and who is employed by a public school to perform duties ordinarily performed by classified or nonclassified personnel shall be able to receive annualized earnings from the public school with no reduction in retirement benefits regardless of the amount of annualized earnings; and

4. A member shall be considered to be employed by a school district to perform the duties ordinarily performed by classified or nonclassified personnel if the member is hired by the school

district in the member's individual capacity to perform the duties or if the member performs the duties through employment with a proprietorship, partnership, corporation, limited liability company or partnership, or any other business structure that has agreed or contracted to provide the services to the school district.

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

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

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

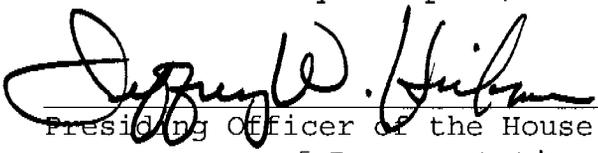
E. A member who has entered into post-retirement employment with a participating employer of the Teachers' Retirement System of Oklahoma must fully comply with all the provisions of the rules promulgated by the Board of Trustees pursuant to this section in order to continue receiving his or her monthly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

SECTION 2. This act shall become effective July 1, 2012.

Passed the Senate the 11th day of May, 2011.

  
Presiding Officer of the Senate

Passed the House of Representatives the 21st day of April, 2011.

  
Presiding Officer of the House  
of Representatives

OFFICE OF THE GOVERNOR

Received by the Governor this 12<sup>th</sup>  
day of May, 20 11,  
at 1:24 o'clock P.M.

By: Jessie R. Payne

Approved by the Governor of the State of Oklahoma the 18<sup>th</sup> day of  
May, 20 11, at 2:31 o'clock P.M.

Mary Fallin  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this  
18<sup>th</sup> day of May, 20 11,  
at 3:13 o'clock P.M.

By: V. Debra Coffey

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January 20, 2011

Senator Mike Mazzei  
Room 424

Re: RBS No. 0237

RBS No.0237 modifies the Oklahoma Pension Legislation Actuarial Analysis Act by removing the provision that allows Cost of Living Adjustments to be considered nonfiscal.

RBS No. 0237 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA

April 14, 2011

Representative Randy McDaniel  
Room 302 B

Re: Committee Substitute for ESB No. 891  
RBH No. 7601

Committee Substitute for ESB No. 891 requires the employer of a retired OTRS participant who has returned to work to pay the employee's contribution to OTRS, effective January 1, 2012.

Committee Substitute for ESB No. 891 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA

April 19, 2011

Representative Randy McDaniel  
Room 302 B

Re: Floor Amendment to Committee Substitute for ESB No. 891

Floor Amendment to Committee Substitute for ESB No. 891 requires the employer of a retired OTRS participant who has returned to work to pay the employee's contribution to OTRS, effective July 1, 2012.

Floor Amendment to Committee Substitute for ESB No. 891 as amended is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA