



SARAH GREEN
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

Senate Bill 683 (Optional Personnel Membership in TRS) Summary & Frequently Asked Questions¹

SB 683 modifies eligibility requirements related to optional employee membership in TRS after July 1, 2021. Under the new provision, nonclassified optional employees² are eligible for participation in TRS upon their initial employment with a TRS employer (previously, these employees had to wait one year to participate in TRS). To accommodate this change, TRS's provisions regarding optional personnel have been updated to reflect current IRS regulations. As part of this revision, optional personnel will no longer be permitted to "opt-in" and "opt-out" of participation in TRS while remaining employed at a TRS employer. Instead, all current optional personnel and all future optional personnel will have to make an irrevocable election whether to participate in TRS. This election will follow them throughout employment with any TRS employer.

Please note, optional membership is still only available to individuals regularly employed for twenty (20) hours or more per week who are not otherwise ineligible for membership (for example, temporary, seasonal, and adjunct supplemental employees are not eligible for membership in TRS). **SB 683 changes when an optional employee is eligible to participate and makes their election regarding participation permanent.**

- Optional personnel employed prior to July 1, 2021, must have elected whether or not to start or continue participating in the TRS by July 31, 2021.
- Optional personnel hired on or after July 1, 2021, must elect whether or not to become a participant in the TRS within 30 days of their initial date of employment (or initial eligibility for optional membership in TRS).

If an election is not timely submitted to TRS, the employee will be deemed to participate in TRS, and contributions will be due on that employee's compensation. TRS encourages employers to be diligent about ensuring that their employees have timely submitted their elections. Employers must keep a copy of the employee's election form in his or her personnel file, in addition to submitting a copy of the election to TRS.

SB 683 is not applicable to classified employees who have optional employment duties at the same or a different TRS employer and these employees should not submit an election. Classified employees are mandatory members of TRS, and contributions are due on all of their eligible compensation, including optional employment.

¹ This information is general in nature and is subject to change as additional laws and regulations are adopted. If there is a conflict between this document and the plan, the plan documents will take precedence.

² Nonclassified optional personnel" means any person regularly employed by the public educational institutions in Oklahoma for twenty (20) hours or more per week. *Okla. Admin. Code 715:10-1-4*. "Nonclassified optional personnel" does not include (1) employees who work less than 20 hours per week, (2) substitute, irregular, seasonal, graduate assistant, fellowship recipient adjunct supplemental, or temporary employees, or (3) any employees excluded from TRS eligibility under *Okla. Admin. Code 715:10-1-5*.



SARAH GREEN
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

SB 683 Frequently Asked Questions

1. I am currently employed as an optional employee. I participated in TRS for two years at my current employer prior to July 1, 2021. I opted-out of participation on my election form. Can I withdraw the employee contributions I made to TRS?

Generally, no. Members may only withdraw contributions from TRS under certain qualifying circumstances (like terminating employment). Optional employees may contact TRS to determine if they meet the criteria for withdrawing contributions.

2. If an optional employee elects not to participate in TRS at one school district, if they later are employed at another district as an optional employee, can they choose to participate then?

No. If an optional employee elects not to participate in TRS, they cannot later opt into TRS participation at another employer. The employee is bound by that prior election unless the employee becomes a classified mandatory employee (*see question 4*).

3. If an optional employee elects to participate in TRS at one school district, if they are later employed at another district as an optional employee, can they choose not to participate then?

No. If an optional employee elects to participate in TRS at one employer, they cannot later opt out of participation in TRS for a subsequent participating employer.

4. If an optional employee elects not to participate in TRS then later is hired as a classified employee, will TRS contributions be owed on their classified employment?

Yes. Classified employees are mandatory members of TRS for which contributions must be paid. An optional employee who later becomes a classified employee will be required to participate in TRS.

5. I have a classified employee who is moving to an optional employment position. Are they required to participate in TRS?

If the employee will only be working as an optional employee, they must elect to participate or not participate in TRS within 30 days of their eligibility for optional membership. However, if the employee is performing classified duties at any TRS employer, he or she is a mandatory member of TRS and contributions are owed all eligible compensation.



SARAH GREEN
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

6. What if I do not complete the form within 30 days as required?

You will be deemed to participate in TRS, and employer and employee contributions must be paid on all regular annual compensation.

7. Our District pays the employee contribution as a fringe benefit. With this being the case, since we will pay the TRS contributions for optional employees, do we need to have them complete the Irrevocable Election form?

In light of the fact that the optional employee's election will follow them throughout their career (including to any district that does not pay TRS contributions as a fringe benefit), employers should present election forms to all of their optional employees, and we encourage Districts to obtain election forms from all optional employees. However, if the employee wishes to participate in TRS, failing to return an election form will not affect that decision. This is because optional employees that do not make an election will be deemed to participate in the system.

8. When does TRS need to receive the forms for employees?

Employees must complete their election within 30 days of their initial hire as optional employees (or, if not eligible upon initial hire, within 30 days of their initial eligibility for optional membership in TRS). If the employee fails to complete this form, they will be deemed to participate in TRS. Employers should submit that election form to TRS as soon as possible following receipt, as it affects contributions due to TRS.

9. Can Districts get an extension on their optional employees making an election?

Unfortunately, no. Districts will not be able to receive an extension on optional employees making an election to participate. IRS regulations significantly limit the amount of time that an employee has to make an election into a retirement system and TRS must comply with those regulations.



SARAH GREEN
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

10. We have an employee who retired from TRS and is receiving benefits. Do they need to fill out this form?

If you have an employee who is working post-retirement from TRS and currently receiving benefits, they do not need to complete this form as they are already in the plan. However, as a reminder, the District is required to (and should continue to) pay contributions on this member's salary. This contribution rate is 16.5% of eligible compensation and is due solely from the District— not the member. No contributions are due from the member on post-retirement earnings.

11. Can an employer decide to not allow an eligible optional employee to participate in TRS, even if the member wishes to be a member of the system?

No, employers are not permitted to restrict eligible optional employees from electing to participate in TRS.

12. What date is considered the "hire date" for the purposes of the thirty-day election window? Is it the day their contract is approved by the Board, their first day to report on the job, or some other date?

The hire date for the employee is the day the employee's actual employment commences. It will be the date the school uses to start paying the employee and providing benefits. The thirty-day election period begins that day. In the case where an employee is initially hired in a position that is ineligible for optional TRS membership and they later become eligible, the thirty-day election period starts on the day the employee begins eligible employment.

13. Can optional employees who opt in purchase previous time they have worked in Oklahoma public education?

On July 9, 2021, emergency rules became effective allowing eligible employees to purchase service credit for years worked as an optional employee. In order to purchase this service credit, optional employees cannot have previously made contributions to TRS AND either (1) withdrawn their account or (2) ceased making contributions while remaining employed.

Additional information regarding this emergency rule change can be found at:
<https://oklahoma.gov/content/dam/ok/en/trs/documents/rules/2021-EME.Rules-Ch.10-RIS-06.02.2021-corrected.pdf>



SARAH GREEN
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

SB 683 Elections and Alternative Retirement Programs

State statute permits comprehensive universities (defined in 70 O.S. §17-101 as the University of Oklahoma and Oklahoma State University) to maintain an Alternative Retirement Program (ARP) for eligible employees in lieu of participation in TRS. These comprehensive universities (ARP employers) are considered to be in a different employer group than all other employers that participate in TRS (Traditional TRS Employers).

Since ARP employers are in a separate group from other TRS employers, employee elections do not carry over between these two employment groups (ARP employers and Traditional TRS Employers). Therefore, employee elections made at an ARP employer will not carry over to employment with a Traditional TRS employer. Equally, elections made at a Traditional TRS employer will not carry over to later employment with an ARP employer.

For ease of application, here are examples on how elections work between these employment groups:

1. An optional employee at a K-12 school district opts into participation with TRS. The employee later changes to employment to an ARP university that is eligible for participation in TRS. Does the employee get to elect between participating in TRS or the university's ARP?

The optional employee is given a new election regarding TRS participation at the ARP university.

- **If the employee is eligible to participate in the ARP, the employee would first elect whether to participate in TRS or the ARP. Then, if the employee selects to be governed by TRS plan, as an optional employee, the employee must make an additional election under SB 683 to participate in TRS or to opt-out of participation. If the employee chose to opt-out of TRS, they will not be permitted to participate in TRS or in the ARP.**
- **If the employee is not eligible to participate in the ARP, but is eligible to participate in TRS, the employee would make a new election under SB 683 regarding participation in TRS.**

The employee's prior election with the K-12 school district would not affect their current options with the ARP employer.



SARAH GREEN
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

2. An optional university employee at an ARP university elects to participate in the university's ARP. The employee is later employed as an optional employee by a technology center. Can the employee now elect to participate in TRS since ARP is no longer available for them?

The optional employee is given a new election regarding TRS participation because they are now moving to a Traditional TRS employer. As an optional employee, the employee must make an election under SB 683 to participate in TRS or to opt-out of participation. The employee's prior election with the ARP employer would not affect their current options with the Traditional TRS employer.

3. An optional employee makes an election to participate in an ARP at a university employer. The employee is later employed at a K-12 school as an optional employee and elects to participate in TRS under SB 683. If the employee returns to their first employer, which prior election is effective?

The optional employee is governed by the election that they made in each employment group (ARP employers and Traditional TRS employers). Because the employee elected to join the ARP at their university employer, that election is in effect if they return to work at an ARP employer and they cannot elect to participate in TRS at that point. If the employee later returned to work at a school district, they would be bound by their election to participate in TRS at Traditional TRS employer.

4. An optional employee at a university employer has made an election to participate in the ARP. Since SB 683 has passed, does that employee receive a new election?

If an optional employee has elected to participate in the university's ARP, that election is irrevocable, and they will not be permitted to make an election under SB 683 while employed at the university. The employee will further not be allowed to elect to participate in TRS if they are employed by another ARP employer, because their original election is binding as to ARP employers.