



XII. Additional Information

I. Post Retirement Employment

A. Restrictions apply to retirees who return to work within 36 months of retirement for an employer that participates in TRS. *Employers must remit contributions for both the employer's and the employee's share (to general fund) on retirees.* Retirees must adhere to the following restrictions or forfeit benefits received during their post-retirement employment:

- 1) **60- day break between employment and retirement.** 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 post-retirement employment. Employment during the 60-day break will cause the forfeiture of all retirement benefits received during this period.
- 2) **Post-Retirement Earnings Limit.** Retirees who return to work in public education within 36 months of retirement are restricted to the following calendar year (Jan-Dec) earnings limits:
 - a) Retirees under age 62 and retired fewer than 36 months may earn the lesser of \$15,000 or one-half of the final average salary used in calculating the retirement; or the earnings limit allowed by the social security administration if it is greater than \$15,000.00
 - b) Retirees aged 62 and older and retired fewer than 36 months may earn the lesser of \$30,000 or one-half the final average salary used in calculating the retirement.
- 3) **Returning to Active, Contributing Status.** To add service credits and increase retirement benefit, a retiree may elect to suspend his retirement and return to active, contributing status. The member must notify the System of their intent to suspend their retirement benefit until employment is terminated for the second retirement. *Contributions to the member's account continue in the same manner as other active contributing members.*

II. Survivor Benefits

A. Notification

- 1) TRS should be notified as soon as possible of the death of a member. Notification can be made by calling 405-521-2387 or 877-738-6365 or by email at mail@trs.ok.gov. Upon notification OTRS will mail information and forms to the designated beneficiary(ies) or estate of the member.



- B. Death Before Retirement
- 1) Return of Contributions
 - a) Upon the death of a member who has not retired, the designated beneficiary or estate will receive the member's contributions plus 100% of all interest earned.
 - 2) Death Benefit
 - a) The beneficiary or estate of in-service members will receive an \$18,000 survivor benefit.
 - b) The beneficiary or estate of members who are not working in Oklahoma public education are not eligible for the \$18,000 survivor benefit.
 - 3) Monthly Annuity in Lieu of Lump Sum Benefit
 - a) The designated beneficiary of an active contributing member may elect to receive the Option 2 retirement benefit in lieu of a lump sum benefit (contributions, interest and \$18,000 death benefit).
 - b) Qualifications
 - i) Member was eligible for retirement,
 - ii) Only 1 primary beneficiary was named at the time of the member's death,
 - iii) The named primary beneficiary is the member's spouse or is not more than 10 years younger than the member.



Governance

70 O.S. § 17-105 - Retirement

(11) Upon the death of an in-service member, the System shall pay to the designated beneficiary of the member or, if there is no designated beneficiary or if the designated beneficiary predeceases the member, to the estate of the member, the sum of Eighteen Thousand Dollars (\$18,000.00) as a death benefit... Provided, if the deceased member had ten (10) years or more of creditable service...the member's designated beneficiary may elect to receive the retirement benefit to which the deceased member would have been entitled at the time of death under the Option 2 plan of retirement in lieu of the death benefit provided for in this subsection. Provided further, the option provided in this subsection is only available when the member has designated one individual as the designated beneficiary. The beneficiary or beneficiaries of death benefits...provided pursuant to this subsection may elect to disclaim such death benefits in which case such benefits will be transferred to a person licensed as a funeral director or to a lawfully recognized business entity licensed as required by law to provide funeral services for the deceased member. The qualified disclaimer must be in writing and will be an irrevocable and an unqualified refusal to accept all or a portion of the death benefit. It must be received by the transferor no more than nine (9) months after the later of the day the transfer creating the interest in the disclaiming person is made or the day the disclaiming person attains age twenty-one (21). The interest in the death benefits must pass without direction by the disclaiming person to another person.

715:10-9-1. Return of contributions when death occurs before retirement

Upon the death of a member, who has not retired, the designated beneficiary, or estate (if there is no designated beneficiary, or if the designated beneficiary predeceases the member) shall receive the member's total contributions, plus one hundred percent (100%) of all interest earned through the end of the fiscal year. Interest shall cease to accumulate with the payment of any portion of the member's contributions and interest to any beneficiary. [See OAC 715:10-9-7, if the member and beneficiary were divorced before death].

C. Death After Retirement

The beneficiary or estate of a retired member of TRS will receive a \$5,000 survivor benefit which may be assigned to a funeral home. The death benefit is taxable to the beneficiary even if assigned to a funeral home.



Governance

70 O.S. § 17-105 - Retirement

(12) Upon the death of an annuitant who has contributed to the System, the retirement system shall pay to the designated beneficiary of the annuitant or, if there is no designated beneficiary or if the designated beneficiary predeceases the annuitant, to the estate of the annuitant, the sum of Five Thousand Dollars (\$5,000.00) as a death benefit. The beneficiary or beneficiaries of benefits provided pursuant to this subsection may elect to disclaim such death benefits in which case such benefits will be transferred to a person licensed as a funeral director or to a lawfully recognized business entity licensed as required by law to provide funeral services for the deceased member. The qualified disclaimer must be in writing and will be an irrevocable and an unqualified refusal to accept all or a portion of the death benefit.



III. ARP

A. Comprehensive Universities can elect to provide an alternate retirement plan (ARP) for their employees in lieu of mandatory membership with TRS.

1. Participating Institutions

- a. The University of Oklahoma and constituent agencies including OU Health Sciences Center, OU Law Center, and Geological Survey
- b. Oklahoma State University and constituent agencies including OSU Agricultural Experiment Station, OSU Agricultural Extension Division, OSU College of Veterinary Medicine, OSU Center for Health Sciences, Technical Branch at Oklahoma City, OSU Institute of Technology Okmulgee, and OSU-Tulsa

2. Eligible employees

- a. Initially appointed or hired after June 30, 2004
- b. Meets the eligibility requirements of the alternate retirement plan of their employing institution
- c. Signs a one-time irrevocable written election to participate in the ARP

3. Ineligible employees

- a. Employment as a student (employment which is incidental to their educational program)
- b. Employment which is not continuous

4. Electing employees

- a. Initially appointed or hired before June 30, 2004
- b. Must have been a member of TRS before June 30, 2004
- c. Signed a one-time irrevocable written election to cease contributions to TRS and to participate in the ARP.

5. One-time irrevocable written election

- a. Signed by both eligible employees and electing employees
- b. Election is irrevocable
- c. Covers all future service with a participating institution regardless of a break in service
- d. A copy must be submitted to TRS

Governance information regarding ARPs can be found at 70 O.S. § 17-201 through 70 O.S. § 17-208.

IV. Insurance

A. Ten Year Requirement

Members of Teachers' Retirement who retire or terminate employment with at least ten (10) years of creditable service are eligible to enroll in the state insurance program.



B. Insurance Provided Through EGID

Rule 715:10-23-1 refers to "State and Education Employees Group Health and Dental Insurance Program." The agency name has changed to the Office of Management and Enterprise Services (OMES) Employees Group Insurance Division (EGID).

Governance

715:10-23-1. State and Education Employees Group Health and Dental Insurance Program

Members of Teachers' Retirement who retire or terminate employment with at least ten (10) years of creditable service are eligible to enroll in the State and Education Employees Group Health and Dental Insurance Program. The retiring member must conform to rules and regulations promulgated by the State and Education Employees Group Insurance Board, which is the final authority on questions of eligibility for membership and coverage provided by the insurance plan. Questions regarding eligibility for insurance coverage and monthly premiums should be referred to the local school district's health insurance coordinator or the State and Educations Employees Group Insurance Board.

V. FICA Taxes

A. State Credit Offset

The amount paid by the State of Oklahoma to an eligible employees' retirement account is not subject to FICA taxes. This applies only to the amount the State of Oklahoma contributes to each eligible employees' retirement account pursuant to 70 O.S. § 17-108.2 and does not affect the tax status of federal income taxes or FICA taxes on wages or benefits paid to or on behalf of an employee by an employer.

B. Employee Contributions

Employee contributions to a qualified retirement plan that are "picked-up" by the employer and paid for the employee are "wages" for the purposes of FICA, if there is (or was) any diminution of the employee's salary. The Internal Revenue Code subsection 3121 (v)(1)(B) provides generally that wages, for purposes of FICA, includes any amount treated as an employer contribution under IRS Code subsection 414(h)(2), where the pick-up is pursuant to a salary reduction agreement (whether evidenced by a written instrument or otherwise).

C. Legal and Tax Advisors

Employers are encouraged to consult with legal and tax advisors on this and all other matters to ensure compliance with IRS requirements.