



OKLAHOMA TEACHERS RETIREMENT SYSTEM

Oklahoma Public Schools

March 7, 2011

RE: OTRS Rules & Laws and Procedures for Service/Salary calculations & Client Information

Dear Payroll/Financial Officers, Human Resource Officers, and School Superintendents:

In an effort to better serve our clients, and acting in accordance with OTRS Rules & Laws, please make note of the following.

- ***Salary Is Based on Contributions Remitted to OTRS.*** In December, 2010, OTRS issued a letter stating *all* retirement paperwork must be on file one month prior to the Client's retirement date. This includes verification forms submitted by schools verifying sick leave and the final year of service.
- ***Service Credit for Full-time & Half-time Employees.*** If you have any employees working less than 30 hours per week, they will not receive credit for a full year of service in OTRS. In accordance with OTRS Rule 715:10-3-2, a member employed at least six (6) hours per day (30 hours per week) shall be considered a full-time employee. Full-time employees will receive one year of service credit for each year worked. In accordance with OTRS Rule 715:10-3-3, a member employed at least four (4) but less than six (6) hours per day (at least 20 but less than 30 hours per week) shall be considered a half-time employee. Half-time employees will receive one-half year of service credit for each year worked. Fractional service years must be combined into full service years to receive credit in OTRS. Those working less than 20 hours a week are ineligible for OTRS membership. The only exceptions are those clients who joined OTRS prior to July 1, 1991. These clients may receive one-half (1/2) credit for a minimum of three (3) hours per day (540 hours per school year) as long as they remain employed in the same or similar position for the same employing school. Any break in employment shall end this special provision.
- ***Retirement Incentives.*** Employers who offer retirement incentive packages to employees, with a brief window of opportunity, may be doing a disservice to their employees. The timelines you may impose on such retirement incentives may not coincide with OTRS' timelines or order of priority. We would ask you to consider all aspects of the retirement process prior to offering such incentive packages to your employees.

Please inform any employees who may be affected by the information contained in this letter. Should you have any questions, please do not hesitate to contact OTRS toll-free at (877) 738-6365.