

1 ENGROSSED SENATE AMENDMENTS
TO
2 ENGROSSED HOUSE
BILL NO. 2074

By: Sears, Cannaday, Martin
(Steve) and Banz of the
House

and

Brown of the Senate

8 An Act relating to the Teachers' Retirement System of
Oklahoma; amending 70 O.S. 2001, Section 17-116.10,
9 as last amended by Section 4, Chapter 315, O.S.L.
2004 (70 O.S. Supp. 2006, Section 17-116.10), which
10 relates to post-retirement earnings limitations;
modifying earnings limitations; providing an
11 effective date; and declaring an emergency.

13 AUTHOR: Add the following Senate Coauthor: Ford

14 AMENDMENT NO. 1. Page 6, line 5 1/2, insert a new Section 2
to read

15 "SECTION 2. AMENDATORY 70 O.S. 2001, Section 17-101, as
16 last amended by Section 3, Chapter 46, 2nd Extraordinary Session,
17 O.S.L. 2006 (70 O.S. Supp. 2007, Section 17-101), is amended to read
18 as follows:

19 Section 17-101. The following words and phrases as used in this
20 act, unless a different meaning is clearly required by the context,
21 shall have the following meanings:

22 (1) "Retirement system" shall mean the Teachers' Retirement
23 System of Oklahoma, as defined in Section 17-102 of this title.
24

1 (2) "Public school" shall mean a school district, a state
2 college or university, the State Board of Education, the State Board
3 of Career and Technology Education and any other state educational
4 entity conducted within the state supported wholly or partly by
5 public funds and operating under the authority and supervision of a
6 legally constituted board or agency having authority and
7 responsibility for any function of public education. "Public
8 school" shall also mean a tuition free, non-profit alternative
9 school of choice that provides education, therapeutic counseling and
10 outreach programs which is aligned with a school district and which
11 receives grant funds from governmental sources.

12 (3) "Classified personnel" shall mean any teacher, principal,
13 superintendent, supervisor, administrator, librarian, certified or
14 registered nurse, college professor, or college president whose
15 salary is paid wholly or in part from public funds. An employee of
16 any state department, board, board of regents or board of trustees,
17 who is in a supervisory or an administrative position, the function
18 of which is primarily devoted to public education, shall be
19 considered classified personnel under the meaning of this act, at
20 the discretion of the Board of Trustees of the Teachers' Retirement
21 System. The term "teacher" shall also include instructors and
22 counselors employed by the Department of Corrections and holding
23 valid teaching certificates issued by the State Department of
24 Education. Provided, that a person employed by the Department of

1 Corrections as an instructor or counselor shall have been actively
2 engaged in the teaching profession for a period of not less than
3 three (3) years prior to employment to be eligible to participate in
4 the Oklahoma Teachers' Retirement System. The Department of
5 Corrections shall contribute the employer's share to the Oklahoma
6 Teachers' Retirement System.

7 (4) "Nonclassified optional personnel" shall include cooks,
8 janitors, maintenance personnel not in a supervisory capacity, bus
9 drivers, noncertified or nonregistered nurses, noncertified
10 librarians, and clerical employees of the public schools, state
11 colleges, universities or any state department, board, board of
12 regents or board of trustees, the functions of which are primarily
13 devoted to public education and whose salaries are paid wholly or in
14 part from public funds.

15 (5) "Employer" shall mean the state and any of its designated
16 agents or agencies with responsibility and authority for public
17 education, such as boards of education of elementary and independent
18 school districts, boards of regents, boards of control or any other
19 agency of and within the state by which a person may be employed for
20 service in public education. "Employer" shall also mean the board
21 of directors of a tuition free, non-profit alternative school of
22 choice that provides education, therapeutic counseling and outreach
23 programs which is aligned with a school district and which receives
24 grant funds from governmental sources.

1 (6) "Member" shall mean any teacher or other employee included
2 in the membership of the system as provided in Section 17-103 of
3 this title.

4 (7) "Board of Trustees" shall mean the board provided for in
5 Section 17-106 of this title to administer the retirement system.

6 (8) "Service" shall mean service as a classified or
7 nonclassified optional employee in the public school system, or any
8 other service devoted primarily to public education in the state.

9 (9) "Prior service" shall mean service rendered prior to July
10 1, 1943.

11 (10) "Membership service" shall mean service as a member of the
12 classified or nonclassified personnel as defined in paragraphs (3)
13 and (4) of this section.

14 (11) "Creditable service" shall mean membership service plus
15 any prior service authorized under this title.

16 (12) "Annuitant" shall mean any person in receipt of a
17 retirement allowance as provided in this title.

18 (13) "Accumulated contributions" shall mean the sum of all
19 amounts deducted from the compensation of a member and credited to
20 his individual account in the Teacher Savings Fund, together with
21 interest as of June 30, 1968.

22 (14) "Earnable compensation" shall mean the full rate of the
23 compensation that would be payable to a member if he worked the full
24 normal working time.

1 (15) "Average salary":

2 (a) for those members who joined the System prior to July
3 1, 1992, shall mean the average of the salaries for
4 the three (3) years on which the highest contributions
5 to the Teachers' Retirement System was paid not to
6 exceed the maximum contribution level specified in
7 Section 17-116.2 of this title or the maximum
8 compensation level specified in subsection (28) of
9 this section. Provided, no member shall retire with
10 an average salary in excess of Twenty-five Thousand
11 Dollars (\$25,000.00) unless the member has made the
12 required election and paid the required contributions
13 on such salary in excess of Twenty-five Thousand
14 Dollars (\$25,000.00), or unless an eligible member
15 fulfills the requirements of Section 2 of this act in
16 order to have pre-cap removal service included in the
17 retirement benefit computation of the member using the
18 regular annual compensation of the member for any pre-
19 cap removal year of service so included subject to the
20 maximum average salary amount, and

21 (b) for those members who join the System after June 30,
22 1992, shall mean the average of the salaries for five
23 (5) consecutive years on which the highest
24 contribution to the Teachers' Retirement System was

1 paid. Only salary on which required contributions
2 have been made may be used in computing average
3 salary.

4 (16) "Annuity" shall mean payments for life derived from the
5 "accumulated contributions" of a member. All annuities shall be
6 payable in equal monthly installments.

7 (17) "Pension" shall mean payments for life derived from money
8 provided by the employer. All pensions shall be payable in equal
9 monthly installments.

10 (18) "Monthly retirement allowance" is one-twelfth (1/12) of
11 the annual retirement allowance which shall be payable monthly.

12 (19) "Retirement Benefit Fund" shall mean the fund from which
13 all retirement benefits shall be paid based on such mortality tables
14 as shall be adopted by the Board of Trustees.

15 (20) "Actuary" shall mean a person especially skilled through
16 training and experience in financial calculation respecting the
17 expectancy and duration of life.

18 (21) "Actuarial equivalent" shall mean a benefit of equal value
19 when computed upon the basis of such mortality and other tables as
20 shall be adopted by the Board of Trustees.

21 (22) The masculine pronoun, whenever used, shall include the
22 feminine.

23 (23) "Actuarially determined cost" shall mean the single sum
24 which is actuarially equivalent in value to a specified pension

1 amount as determined on the basis of mortality and interest
2 assumptions adopted by the Board of Trustees.

3 (24) "Normal retirement age" means age sixty-two (62) or the
4 age at which the sum of a member's age and number of years of
5 creditable service total eighty (80) or ninety (90), for those who
6 became a member after June 30, 1992, pursuant to Section 17-105 of
7 this title, whichever occurs first.

8 (25) "Regular annual compensation" means salary plus fringe
9 benefits, excluding the flexible benefit allowance pursuant to
10 Section 26-105 of this title and for purposes pursuant to Section
11 17-101 et seq. of this title. For purposes of this definition,
12 regular annual compensation shall include all payments as provided
13 in subsection D of Section 17-116.2 of this title.

14 (26) "Teacher" means classified personnel and nonclassified
15 optional personnel.

16 (27) "Active classroom teacher" means a person employed by a
17 school district to teach students specifically identified classes
18 for specifically identified subjects during the course of a
19 semester, and who holds a valid certificate or license issued by and
20 in accordance with the rules and regulations of the State Board of
21 Education.

22 (28) "Maximum compensation level" shall, except as otherwise
23 authorized pursuant to the provisions of Section 2 of this act,
24 mean:

- 1 (a) Twenty-five Thousand Dollars (\$25,000.00) for
2 creditable service authorized and performed prior to
3 July 1, 1995, for members not electing a higher
4 maximum compensation level,
- 5 (b) Forty Thousand Dollars (\$40,000.00) for creditable
6 service authorized and performed prior to July 1,
7 1995, for members electing a maximum compensation
8 level in excess of Twenty-five Thousand Dollars
9 (\$25,000.00),
- 10 (c) Twenty-seven Thousand Five Hundred Dollars
11 (\$27,500.00) for members who, as of June 30, 1995, had
12 elected to have a maximum compensation level not in
13 excess of Twenty-five Thousand Dollars (\$25,000.00),
14 and who were employed by an entity or institution
15 within The Oklahoma State System of Higher Education
16 for creditable service authorized and performed on or
17 after July 1, 1995, but not later than June 30, 1996,
18 if such member does not elect a higher maximum
19 compensation level for this period as authorized by
20 Section 17-116.2A of this title,
- 21 (d) Thirty-two Thousand Five Hundred Dollars (\$32,500.00)
22 for members employed by a comprehensive university if
23 the member meets the requirements imposed by Section
24 17-116.2A of this title and the member elects to

1 impose a higher maximum compensation level for service
2 performed on or after July 1, 1995, but not later than
3 June 30, 1996,

4 (e) Forty-four Thousand Dollars (\$44,000.00) for members
5 who, as of June 30, 1995, had elected to have a
6 maximum compensation level in excess of Twenty-five
7 Thousand Dollars (\$25,000.00), and who were employed
8 by an entity or institution within The Oklahoma State
9 System of Higher Education for creditable service
10 authorized and performed on or after July 1, 1995, but
11 not later than June 30, 1996, if such member does not
12 elect a higher maximum compensation level for this
13 period as authorized by Section 17-116.2A of this
14 title,

15 (f) Forty-nine Thousand Dollars (\$49,000.00) for members
16 employed by a comprehensive university if the member
17 meets the requirements imposed by Section 17-116.2A of
18 this title and the member elects to impose a higher
19 maximum compensation level for service performed on or
20 after July 1, 1995, but not later than June 30, 1996,

21 (g) the following amounts for creditable service
22 authorized and performed by members employed by a
23 comprehensive university, based upon the election of
24 the member in effect as of June 30, 1995:

1. for members who elected a maximum compensation level not in excess of Twenty-five Thousand Dollars (\$25,000.00):

(i) Thirty-two Thousand Five Hundred Dollars (\$32,500.00) for service authorized and performed on or after July 1, 1996, but not later than June 30, 1997,

(ii) Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) for service authorized and performed on or after July 1, 1997, but not later than June 30, 1998,

(iii) Forty-two Thousand Five Hundred Dollars (\$42,500.00) for service authorized and performed on or after July 1, 1998, but not later than June 30, 2000,

(iv) Forty-seven Thousand Five Hundred Dollars (\$47,500.00) for service authorized and performed on or after July 1, 2000, but not later than June 30, 2001,

(v) Fifty-two Thousand Five Hundred Dollars (\$52,500.00) for service authorized and performed on or after July 1, 2001, but not later than June 30, 2002,

1 (vi) Fifty-seven Thousand Five Hundred Dollars
2 (\$57,500.00) for service authorized and
3 performed on or after July 1, 2002, but not
4 later than June 30, 2003,

5 (vii) Sixty-two Thousand Five Hundred Dollars
6 (\$62,500.00) for service authorized and
7 performed on or after July 1, 2003, but not
8 later than June 30, 2004,

9 (viii) Sixty-seven Thousand Five Hundred Dollars
10 (\$67,500.00) for service authorized and
11 performed on or after July 1, 2004, but not
12 later than June 30, 2005,

13 (ix) Seventy-two Thousand Five Hundred Dollars
14 (\$72,500.00) for service authorized and
15 performed on or after July 1, 2005, but not
16 later than June 30, 2006,

17 (x) Seventy-seven Thousand Five Hundred Dollars
18 (\$77,500.00) for service authorized and
19 performed on or after July 1, 2006, but not
20 later than June 30, 2007,

21 (xi) the full amount of regular annual
22 compensation for service authorized and
23 performed on or after July 1, 2007, and
24

1 2. for members who elected a maximum compensation
2 level in excess of Twenty-five Thousand Dollars
3 (\$25,000.00):

4 (i) Forty-nine Thousand Dollars (\$49,000.00) for
5 service authorized and performed on or after
6 July 1, 1996, but not later than June 30,
7 1997,

8 (ii) Fifty-four Thousand Dollars (\$54,000.00) for
9 service authorized and performed on or after
10 July 1, 1997, but not later than June 30,
11 1998,

12 (iii) Fifty-nine Thousand Dollars (\$59,000.00) for
13 service authorized and performed on or after
14 July 1, 1998, but not later than June 30,
15 2000,

16 (iv) Sixty-four Thousand Dollars (\$64,000.00) for
17 service authorized and performed on or after
18 July 1, 2000, but not later than June 30,
19 2001,

20 (v) Sixty-nine Thousand Dollars (\$69,000.00) for
21 service authorized and performed on or after
22 July 1, 2001, but not later than June 30,
23 2002,

24

1 (vi) Seventy-four Thousand Dollars (\$74,000.00)
2 for service authorized and performed on or
3 after July 1, 2002, but not later than June
4 30, 2003,

5 (vii) Seventy-nine Thousand Dollars (\$79,000.00)
6 for service authorized and performed on or
7 after July 1, 2003, but not later than June
8 30, 2004,

9 (viii) Eighty-four Thousand Dollars (\$84,000.00)
10 for service authorized and performed on or
11 after July 1, 2004, but not later than June
12 30, 2005,

13 (ix) Eighty-nine Thousand Dollars (\$89,000.00)
14 for service authorized and performed on or
15 after July 1, 2005, but not later than June
16 30, 2006,

17 (x) Ninety-four Thousand Dollars (\$94,000.00)
18 for service authorized and performed on or
19 after July 1, 2006, but not later than June
20 30, 2007,

21 (xi) the full amount of regular annual
22 compensation for service authorized and
23 performed on or after July 1, 2007,

24 (h) the full amount of regular annual compensation of:

- 1 1. a member of the retirement system not employed by
2 an entity or institution within The Oklahoma
3 State System of Higher Education for all
4 creditable service authorized and performed on or
5 after July 1, 1995,
- 6 2. a member of the retirement system first employed
7 on or after July 1, 1995, by an entity or
8 institution within The Oklahoma State System of
9 Higher Education for all creditable service
10 authorized and performed on or after July 1,
11 1995, but not later than June 30, 1996,
- 12 3. a member of the retirement system employed by an
13 entity or institution within The Oklahoma State
14 System of Higher Education, other than a
15 comprehensive university, if the member elects to
16 impose a higher maximum compensation level for
17 service performed on or after July 1, 1995, but
18 not later than June 30, 1996, pursuant to
19 subsection B of Section 17-116.2A of this title,
- 20 4. a member of the retirement system who is first
21 employed on or after July 1, 1996, by any entity
22 or institution within The Oklahoma State System
23 of Higher Education, including a comprehensive
24

1 university, for creditable service authorized and
2 performed on or after July 1, 1996,

3 5. a member of the retirement system who, as of July
4 1, 1996, is subject to a maximum compensation
5 level pursuant to paragraph (g) of this
6 subsection if the member terminates service with
7 a comprehensive university and is subsequently
8 reemployed by a comprehensive university,

9 6. a member of the retirement system employed by a
10 comprehensive university for all service
11 performed on and after July 1, 2007, or

12 7. an eligible member of the retirement system who
13 fulfills the requirements of Section 2 of this
14 act with respect to pre-cap removal service
15 included in the retirement benefit computation of
16 the member at the average salary of the member
17 subject to the maximum average salary amount.

18 (29) "Comprehensive university" shall mean:

19 (a) the University of Oklahoma and all of its constituent
20 agencies, including the University of Oklahoma Health
21 Sciences Center, the University of Oklahoma Law Center
22 and the Geological Survey, and

23 (b) Oklahoma State University and all of its constituent
24 agencies, including the Oklahoma State University

1 Agricultural Experiment Station, the Oklahoma State
2 University Agricultural Extension Division, the
3 Oklahoma State University College of Veterinary
4 Medicine, the Oklahoma State University Center for
5 Health Sciences, the Technical Branch at Oklahoma
6 City, the Technical Branch at Okmulgee and Oklahoma
7 State University-Tulsa."

8 and renumber subsequent sections

9 AMENDMENT NO. 2. Page 1, strike the title to read

10 "[Teachers' Retirement System of Oklahoma - post-
11 retirement earnings limitations - effective date -
12 emergency]"

13 Passed the Senate the 15th day of April, 2008.

14
15 _____
Presiding Officer of the Senate

16 Passed the House of Representatives the ____ day of _____,
17 2008.

18
19 _____
20 Presiding Officer of the House
of Representatives