

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB671 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Randy McDaniel

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
SENATE BILL NO. 671

By: Brown of the Senate

and

Moore of the House

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to the Teachers' Retirement System of Oklahoma; amending 70 O.S. 2011, Section 17-116.2B, which relates to retirement benefit computations for certain employees of the Oklahoma State System of Higher Education; authorizing purchase of incentive credit; imposing requirements; providing for authorized use of incentive credit; imposing requirement for payment of certain amount pursuant to actuarial cost computations; and providing an effective date.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-116.2B,
is amended to read as follows:

Section 17-116.2B Beginning July 1, 2004, a member who has any creditable service as an employee of an entity or institution within The Oklahoma State System of Higher Education on or after July 1, 1995, who retires on or after the member's normal retirement age or

1 whose retirement is because of disability shall receive an annual
2 allowance for life, payable monthly, as follows:

3 1. If the member becomes a member after June 30, 1995, and was
4 not eligible to become a member prior to July 1, 1995, in an amount
5 equal to two percent (2%) of the member's average salary upon which
6 member contributions were made, multiplied by the number of the
7 member's years of creditable service;

8 2. If the member became a member or is eligible to become a
9 member prior to July 1, 1995, and elected to have a maximum
10 compensation level in excess of Twenty-five Thousand Dollars
11 (\$25,000.00) pursuant to paragraph 1 of subsection C of Section 17-
12 116.2 of this title or pursuant to subsection E of Section 17-116.2
13 of this title, or if the member's salary never exceeded Twenty-five
14 Thousand Dollars (\$25,000.00) prior to July 1, 1995, in an amount
15 equal to:

- 16 a. two percent (2%) of the member's average salary upon
17 which member contributions were made, not to exceed
18 Forty Thousand Dollars (\$40,000.00), multiplied by the
19 number of the member's years of creditable service
20 authorized and performed prior to July 1, 1995, plus
21 any years of prior service authorized under this
22 title, plus
- 23 b. two percent (2%) of the average of the member's
24 maximum compensation level upon which member

1 contributions were made for those years between July
2 1, 1995, and June 30, 2007, in which the member's
3 regular annual compensation meets or exceeds the
4 maximum compensation level in effect for the member
5 for the period July 1, 1995, through June 30, 2007,
6 multiplied by the number of the member's years of
7 creditable service for the period July 1, 1995,
8 through June 30, 2007, in which the member's regular
9 annual compensation meets or exceeds the maximum
10 compensation in effect for the member for the period
11 July 1, 1995, through June 30, 2007, plus

12 c. two percent (2%) of the member's average salary upon
13 which member contributions were made, multiplied by
14 the number of the member's years of creditable service
15 authorized and performed for an employer other than a
16 comprehensive university or for service performed for
17 an employer other than an entity or institution within
18 The Oklahoma State System of Higher Education on or
19 after July 1, 1995, but not later than June 30, 2007,
20 plus

21 d. two percent (2%) of the member's average salary upon
22 which member contributions were made, multiplied by
23 the number of the member's years of creditable service
24 in which contributions were made that did not meet or

1 exceed the member's maximum compensation level in
2 effect for the member for the period July 1, 1995,
3 through June 30, 2007, and the number of the member's
4 years of creditable service authorized and performed
5 after June 30, 2007;

6 3. If the member became a member or is eligible to become a
7 member prior to July 1, 1995, and was eligible to elect to have a
8 maximum compensation level in excess of Twenty-five Thousand Dollars
9 (\$25,000.00) and did not elect or elected not to have a maximum
10 compensation level of Forty Thousand Dollars (\$40,000.00) pursuant
11 to paragraph 1 of subsection C of Section 17-116.2 of this title or
12 pursuant to subsection E of Section 17-116.2 of this title, in an
13 amount equal to:

14 a. two percent (2%) of the member's average salary upon
15 which member contributions were made, not to exceed
16 Twenty-five Thousand Dollars (\$25,000.00), multiplied
17 by the number of the member's years of creditable
18 service authorized and performed prior to July 1,
19 1995, plus any years of prior service authorized under
20 this title, plus

21 b. two percent (2%) of the average of the member's
22 maximum compensation level upon which member
23 contributions were made for those years of service
24 between July 1, 1995, and June 30, 2007, in which the

1 member's regular annual compensation meets or exceeds
2 the maximum compensation level in effect for the
3 member for the period July 1, 1995, through June 30,
4 2007, multiplied by the number of the member's years
5 of creditable service for the period July 1, 1995,
6 through June 30, 2007, in which the member's regular
7 annual compensation meets or exceeds the maximum
8 compensation in effect for the member for the period
9 July 1, 1995, through June 30, 2007, plus

10 c. two percent (2%) of the member's average salary upon
11 which member contributions were made, multiplied by
12 the number of the member's years of creditable service
13 authorized and performed for an employer other than a
14 comprehensive university or for service performed for
15 an employer other than an entity or institution within
16 The Oklahoma State System of Higher Education on or
17 after July 1, 1995, but not later than June 30, 2007,
18 plus

19 d. two percent (2%) of the member's average salary upon
20 which member contributions were made, multiplied by
21 the number of the member's years of creditable service
22 in which contributions were made that did not meet or
23 exceed the member's maximum compensation level in
24 effect for the member for the period July 1, 1995,

1 through June 30, 2007, and the number of the member's
2 years of creditable service authorized and performed
3 after June 30, 2007;

4 4. Any member who retired on or after July 1, 1995, shall be
5 eligible to have the benefits recalculated in accordance with the
6 terms and provisions of paragraphs 2 and 3 of this section. In the
7 event such calculation results in an increase in benefits, such
8 benefits will be adjusted commencing January 1, 2005, and
9 thereafter. No such recalculation shall be applied in a retroactive
10 manner to result in any increase in benefits which have been paid
11 between July 1, 1995, and December 31, 2004;

12 5. For purposes of this section, the term "average of the
13 member's maximum compensation level" means an average of the annual
14 salary on which the maximum contributions were made to the Teachers'
15 Retirement System of Oklahoma for the period between July 1, 1995,
16 and June 30, 2007. The average for each member will be applied in
17 accordance with paragraph (15) of Section 17-101 of this title;

18 6. In the event there are insufficient number of years for the
19 time period between July 1, 1995, and June 30, 2007, to reach the
20 high three (3) or high consecutive five (5) years in accordance with
21 paragraph (15) of Section 17-101 of this title, the member's maximum
22 compensation level shall be determined by an average of the salary
23 on which maximum contributions were made. In no case shall the
24

1 member's maximum compensation level exceed the average salary as
2 determined by paragraph (15) of Section 17-101 of this title.

3 7. Beginning July 1, 2018, an active member of the Teachers'
4 Retirement System of Oklahoma who is employed and participating with
5 an entity or institution within The Oklahoma State System of Higher
6 Education, may purchase not to exceed two (2) years of incentive
7 credit if:

8 1. The member has reached his or her normal retirement date or
9 is within two (2) years of reaching the member's normal retirement
10 date as authorized in Section 17-105 of this title; or

11 2. The member is eligible for or is within two (2) years of
12 being eligible for early retirement pursuant to paragraph 1 of
13 subsection A of Section 17-116.2 of this title.

14 B. Purchased incentive credit may only be used as participation
15 service to qualify the member for normal or early retirement.

16 C. To receive the incentive credit, the member shall pay the
17 amount determined by the Board pursuant to Section 17-116.8 of this
18 title.

19 SECTION 2. This act shall become effective July 1, 2018.
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