

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 4029

By: McCall

COMMITTEE SUBSTITUTE

An Act relating to the Teachers' Retirement System of Oklahoma; amending 62 O.S. 2011, Section 3103, as last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2019, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definitions; amending 70 O.S. 2011, Section 17-116.10, as last amended by Section 2, Chapter 270, O.S.L. 2017 (70 O.S. Supp. 2019, Section 17-116.10), which relates to postretirement earnings limitations; modifying restrictions with respect to postretirement employment; amending Section 3, Chapter 394, O.S.L. 2013, as last amended by Section 1, Chapter 10, 2nd Extraordinary Session, O.S.L. 2018 (70 O.S. Supp. 2019, Section 18-114.14), which relates to the minimum salary schedule; modifying provisions related to employment of retired teachers; and providing effective dates.

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2019, Section 3103), is amended to read as follows:

1 Section 3103. As used in the Oklahoma Pension Legislation
2 Actuarial Analysis Act:

3 1. "Amendment" means any amendment, including a substitute
4 bill, made to a retirement bill by any committee of the House or
5 Senate, any conference committee of the House or Senate or by the
6 House or Senate;

7 2. "RB number" means that number preceded by the letters "RB"
8 assigned to a retirement bill by the respective staffs of the
9 Oklahoma State Senate and the Oklahoma House of Representatives when
10 the respective staff office prepares a retirement bill for a member
11 of the Legislature;

12 3. "Legislative Actuary" means the firm or entity that enters
13 into a contract with the Legislative Service Bureau pursuant to
14 Section 452.15 of Title 74 of the Oklahoma Statutes to provide the
15 actuarial services and other duties provided for in the Oklahoma
16 Pension Legislation Actuarial Analysis Act;

17 4. "Nonfiscal amendment" means an amendment to a retirement
18 bill having a fiscal impact, which amendment does not change any
19 factor of an actuarial investigation specified in subsection A of
20 Section 3109 of this title;

21 5. "Nonfiscal retirement bill" means a retirement bill:

- 22 a. which does not affect the cost or funding factors of a
23 retirement system, or
24

- 1 b. which affects such factors only in a manner which does
2 not:
3 (1) grant a benefit increase under the retirement
4 system affected by the bill,
5 (2) create an actuarial accrued liability for or
6 increase the actuarial accrued liability of the
7 retirement system affected by the bill, or
8 (3) increase the normal cost of the retirement system
9 affected by the bill,
10 c. which authorizes the purchase by an active member of
11 the retirement system, at the actuarial cost for the
12 purchase as computed pursuant to the statute in effect
13 on the effective date of the measure allowing such
14 purchase, of years of service for purposes of reaching
15 a normal retirement date in the applicable retirement
16 system, but which cannot be used in order to compute
17 the number of years of service for purposes of
18 computing the retirement benefit for the member,
19 d. which provides for the computation of a service-
20 connected disability retirement benefit for members of
21 the Oklahoma Law Enforcement Retirement System
22 pursuant to Section 2-305 of Title 47 of the Oklahoma
23 Statutes if the members were unable to complete twenty
24 (20) years of service as a result of the disability,

- 1 e. which requires membership in the defined benefit plan
2 authorized by Section 901 et seq. of Title 74 of the
3 Oklahoma Statutes for persons whose first elected or
4 appointed service occurs on or after November 1, 2018,
5 if such persons had any prior service in the Oklahoma
6 Public Employees Retirement System prior to November
7 1, 2015, or
- 8 f. which provides for a one-time increase in retirement
9 benefits if the increase in retirement benefits is not
10 a permanent increase in the gross annual retirement
11 benefit payable to a member or beneficiary, occurs
12 only once pursuant to a single statutory authorization
13 and does not exceed:
- 14 (1) the lesser of two percent (2%) of the gross
15 annual retirement benefit of the member or One
16 Thousand Dollars (\$1,000.00) and requires that
17 the benefit may only be provided if the funded
18 ratio of the affected retirement system would not
19 be less than sixty percent (60%) but not greater
20 than eighty percent (80%) after the benefit
21 increase is paid,
- 22 (2) the lesser of two percent (2%) of the gross
23 annual retirement benefit of the member or One
24 Thousand Two Hundred Dollars (\$1,200.00) and

1 requires that the benefit may only be provided if
2 the funded ratio of the affected retirement
3 system would be greater than eighty percent (80%)
4 but not greater than one hundred percent (100%)
5 after the benefit increase is paid,

6 (3) the lesser of two percent (2%) of the gross
7 annual retirement benefit of the member or One
8 Thousand Four Hundred Dollars (\$1,400.00) and
9 requires that the benefit may only be provided if
10 the funded ratio of the affected retirement
11 system would be greater than one hundred percent
12 (100%) after the benefit increase is paid, or

13 (4) the greater of two percent (2%) of the gross
14 annual retirement benefit of the volunteer
15 firefighter or One Hundred Dollars (\$100.00) for
16 persons who retired from the Oklahoma
17 Firefighters Pension and Retirement System as
18 volunteer firefighters and who did not retire
19 from the Oklahoma Firefighters Pension and
20 Retirement System as a paid firefighter.

21 As used in this subparagraph, "funded ratio" means the
22 figure derived by dividing the actuarial value of
23 assets of the applicable retirement system by the
24

1 actuarial accrued liability of the applicable
2 retirement system, or

3 g. which modifies the postretirement earnings limit
4 provisions in Section 17-116.10 of Title 70 of the
5 Oklahoma Statutes as provided by Section 2 of this act
6 and which modifies the postretirement provisions of
7 the minimum salary schedule as provided by subsection
8 F of Section 18-114.14 of Title 70 of the Oklahoma
9 Statutes in the manner prescribed by Section 3 of this
10 act.

11 A nonfiscal retirement bill shall include any retirement bill that
12 has as its sole purpose the appropriation or distribution or
13 redistribution of monies in some manner to a retirement system for
14 purposes of reducing the unfunded liability of such system or the
15 earmarking of a portion of the revenue from a tax to a retirement
16 system or increasing the percentage of the revenue earmarked from a
17 tax to a retirement system;

18 6. "Reduction-in-cost amendment" means an amendment to a
19 retirement bill having a fiscal impact which reduces the cost of the
20 bill as such cost is determined by the actuarial investigation for
21 the bill prepared pursuant to Section 3109 of this title;

22 7. "Retirement bill" means any bill or joint resolution
23 introduced or any bill or joint resolution amended by a member of
24 the Oklahoma Legislature which creates or amends any law directly

1 affecting a retirement system. A retirement bill shall not mean a
2 bill or resolution that impacts the revenue of any state tax in
3 which a portion of the revenue generated from such tax is earmarked
4 for the benefit of a retirement system;

5 8. "Retirement bill having a fiscal impact" means any
6 retirement bill creating or establishing a retirement system and any
7 other retirement bill other than a nonfiscal retirement bill; and

8 9. "Retirement system" means the Teachers' Retirement System of
9 Oklahoma, the Oklahoma Public Employees Retirement System, the
10 Uniform Retirement System for Justices and Judges, the Oklahoma
11 Firefighters Pension and Retirement System, the Oklahoma Police
12 Pension and Retirement System, the Oklahoma Law Enforcement
13 Retirement System, or a retirement system established after January
14 1, 2006.

15 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-116.10,
16 as last amended by Section 2, Chapter 270, O.S.L. 2017 (70 O.S.
17 Supp. 2019, Section 17-116.10), is amended to read as follows:

18 Section 17-116.10 A. Subject to the requirements of Section 6-
19 101.2 of this title and any other applicable requirements of law, a
20 member may enter into postretirement employment with a public school
21 of Oklahoma and still receive monthly retirement benefits subject to
22 the following limitations:

23 1. A retired member is not eligible to be employed by the
24 public schools of Oklahoma, in any capacity, for ~~sixty (60) calendar~~

1 ~~days~~ one (1) year between the retiree's last day of preretirement
2 public education employment and any postretirement public education
3 employment. For purposes of this section, the term "last day of
4 preretirement employment" shall mean the last day the employee is
5 required to be physically present on the job to complete the terms
6 of the employment contract or agreement. An employee on paid leave
7 is still considered to be employed for purposes of this section.
8 Employment under any conditions during this time, volunteer services
9 for the purpose of obtaining a paid position at a later date, or
10 payment at a later time for services performed during this time
11 period shall cause the forfeiture of all retirement benefits
12 received during the period.

13 2. ~~Unless otherwise provided in paragraph 3 of this subsection,~~
14 ~~earnings from the public schools may not exceed one-half (1/2) of~~
15 ~~the member's final average salary used in computing retirement~~
16 ~~benefits, or the Earnings Limitation for employees allowed by the~~
17 ~~Social Security Administration, whichever is less. For retired~~
18 ~~members under the age of sixty-two (62) years, the limit on allowed~~
19 ~~earnings from the public schools of Oklahoma for employment for the~~
20 ~~performance of duties ordinarily performed by classified or~~
21 ~~nonclassified personnel shall be the lesser of Fifteen Thousand~~
22 ~~Dollars (\$15,000.00) or one-half (1/2) of the member's final average~~
23 ~~salary used in computing retirement benefits unless the earnings~~
24 ~~limitation allowed by the Social Security Administration would be~~

~~greater than Fifteen Thousand Dollars (\$15,000.00). For retired members sixty-two (62) years of age or older the limit on allowed earnings from the public schools of Oklahoma for the performance of duties ordinarily performed by classified or nonclassified personnel shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits. For purposes of this paragraph, the following shall apply:~~

- ~~a. earnings shall mean "regular annual compensation" as defined in paragraph (25) of Section 17-101 of this title, and shall include any payment by a public school for services rendered by a retired member who is employed for any purpose whatsoever. Supplemental retirement payments paid by a former public school employer pursuant to subsection 9 of Section 17-105 of this title or other state law shall not be considered as earnings,~~
- ~~b. the Earnings Limitation for employees allowed by the Social Security Administration to workers between the age of sixty-two (62) years and sixty-five (65) years shall apply to retired members below the age of sixty-two (62) years,~~
- ~~c. the limit on allowed earnings from the public schools shall be automatically adjusted effective the first~~

~~day of January of each year to reflect the current Earnings Limitation for employees as determined from time to time by the Social Security Administration,~~

d. ~~the earnings limit for the calendar year in which a member retires shall be one-twelfth (1/12) of the annual limit multiplied by the number of months the member is eligible to work and receive payments from the public schools of Oklahoma,~~

e. ~~earnings in excess of the maximum limit on allowed earnings from public schools of Oklahoma shall result in a loss of future retirement benefits for the year the postretirement employment was performed of One Dollar (\$1.00) for each One Dollar (\$1.00) earned over the maximum allowed earnings amount,~~

f. ~~for those members age seventy (70) years and over, the earnings in excess of the maximum limit allowed earnings from public schools of Oklahoma shall be one-half (1/2) the member's final average salary used in computing retirement benefits. However, any retired member receiving benefits from the Retirement System who reached age seventy (70) years prior to July 1, 1991, shall not be restricted by the earnings limits pursuant to this subparagraph until January 1, 1994. To qualify for the provisions of this subparagraph,~~

1 ~~the member must be employed less than one-half (1/2)~~
2 ~~time compared to other full-time employees in similar~~
3 ~~positions;~~

4 ~~3. Notwithstanding paragraph 2 of this subsection, a retired~~
5 ~~classified or nonclassified member who has been retired for thirty-~~
6 ~~six (36) or more months and who is employed by a public school to~~
7 ~~perform duties ordinarily performed by classified or nonclassified~~
8 ~~personnel shall be able to receive annualized earnings from the~~
9 ~~public school with no reduction in retirement benefits regardless of~~
10 ~~the amount of annualized earnings. For a period of three (3) years~~
11 ~~beginning July 1, 2017, members who have retired as of July 1, 2017,~~
12 ~~as active classroom teachers, who have been retired and receiving a~~
13 ~~benefit for at least one (1) year, and who have not been employed by~~
14 ~~any public school during that one-year period, shall be eligible to~~
15 ~~be reemployed as an active classroom teacher in common or career~~
16 ~~tech school districts, with no limitations on earnings. The one-~~
17 ~~year period starts with the retiree's last day of preretirement~~
18 ~~public education employment. Members returning under this section~~
19 ~~shall not be subject to any earning limitations following the end of~~
20 ~~the three-year period described in this paragraph. Members~~
21 ~~returning under this section shall only be employed pursuant to a~~
22 ~~temporary contract; and~~

23 ~~4. A member shall be considered to be employed by a school~~
24 ~~district to perform the duties ordinarily performed by classified or~~

1 nonclassified personnel if the member is hired by the school
2 district in the member's individual capacity to perform the duties
3 or if the member performs the duties through employment with a
4 proprietorship, partnership, corporation, limited liability company
5 or partnership, or any other business structure that has agreed or
6 contracted to provide the services to the school district.

7 B. A public school district that employs a retired member shall
8 be required to make contributions to the System for the retired
9 member in an amount as required in Section 17-108.1 and in paragraph
10 3 of subsection B of Section 17-116.2 of this title.

11 C. For purposes of this section, postretirement employment of
12 less than one thousand (1,000) hours per year with the Governor, the
13 State Senate, the House of Representatives or the Legislative
14 Service Bureau shall not be considered as postretirement employment
15 with a public school of Oklahoma.

16 D. The Board of Trustees of the Teachers' Retirement System of
17 Oklahoma shall promulgate such rules as are necessary to implement
18 the provisions of this section.

19 E. A member who has entered into postretirement employment with
20 a participating employer of the Teachers' Retirement System of
21 Oklahoma must fully comply with all the provisions of the rules
22 promulgated by the Board of Trustees pursuant to this section in
23 order to continue receiving his or her monthly retirement benefit.
24

SECTION 3. AMENDATORY Section 3, Chapter 394, O.S.L. 2013, as last amended by Section 1, Chapter 10, 2nd Extraordinary Session, O.S.L. 2018 (70 O.S. Supp. 2019, Section 18-114.14), is amended to read as follows:

Section 18-114.14 A. Beginning with the 2018-2019 school year, certified personnel, as defined in Section 26-103 of this title, in the public schools of Oklahoma shall receive in salary and/or fringe benefits not less than the amounts specified in the following schedule:

MINIMUM SALARY SCHEDULE

National

Years of Experience	Bachelor's Degree	Board Certification	Master's Degree	Doctor's Degree
0	\$36,601	\$37,759	\$37,991	\$39,381
1	\$37,035	\$38,193	\$38,425	\$39,815
2	\$37,469	\$38,628	\$38,859	\$40,249
3	\$37,904	\$39,062	\$39,294	\$40,684
4	\$38,338	\$39,496	\$39,728	\$41,118
5	\$38,810	\$39,968	\$40,200	\$41,590
6	\$39,273	\$40,432	\$40,663	\$42,054
7	\$39,737	\$40,895	\$41,127	\$42,517
8	\$40,200	\$41,358	\$41,590	\$42,980
9	\$40,663	\$41,822	\$42,054	\$43,444
10	\$41,684	\$42,844	\$43,568	\$45,945

1	11	\$42,177	\$43,336	\$44,061	\$46,438
2	12	\$42,670	\$43,829	\$44,554	\$46,931
3	13	\$43,162	\$44,322	\$45,047	\$47,424
4	14	\$43,655	\$44,815	\$45,539	\$47,916
5	15	\$44,167	\$45,327	\$46,052	\$48,430
6	16	\$44,660	\$45,820	\$46,545	\$48,923
7	17	\$45,153	\$46,313	\$47,038	\$49,416
8	18	\$45,646	\$46,806	\$47,531	\$49,909
9	19	\$46,139	\$47,299	\$48,024	\$50,402
10	20	\$46,652	\$47,813	\$48,538	\$50,917
11	21	\$47,145	\$48,306	\$49,031	\$51,410
12	22	\$47,639	\$48,799	\$49,524	\$51,903
13	23	\$48,132	\$49,292	\$50,018	\$52,397
14	24	\$48,625	\$49,785	\$50,511	\$52,890
15	25	\$50,049	\$51,232	\$51,971	\$54,395

16 Master's Degree +

17 Years of National Board

18 Experience Certification

19 0 \$39,149

20 1 \$39,583

21 2 \$40,018

22 3 \$40,452

23 4 \$40,886

24 5 \$41,358

1	6	\$41,822
2	7	\$42,285
3	8	\$42,749
4	9	\$43,212
5	10	\$44,728
6	11	\$45,221
7	12	\$45,713
8	13	\$46,206
9	14	\$46,699
10	15	\$47,212
11	16	\$47,705
12	17	\$48,198
13	18	\$48,691
14	19	\$49,184
15	20	\$49,698
16	21	\$50,192
17	22	\$50,685
18	23	\$51,178
19	24	\$51,671
20	25	\$53,153

21 B. 1. When determining the Minimum Salary Schedule, "fringe
22 benefits" shall mean all or part of retirement benefits, excluding
23 the contributions made pursuant to subsection A of Section 17-108.1
24 of this title and the flexible benefit allowance pursuant to Section

1 26-105 of this title from the flexible benefit allowance funds
2 disbursed by the State Board of Education and the State Board of
3 Career and Technology Education pursuant to Section 26-104 of this
4 title.

5 2. If a school district intends to provide retirement benefits
6 to a teacher such that the teacher's salary would be less than the
7 amounts set forth in the minimum salary schedule specified in
8 subsection A of this section, the district shall be required to
9 provide written notification to the teacher prior to his or her
10 employment or, if already employed by the district, no later than
11 thirty (30) days prior to the date the district elects to provide
12 retirement benefits such that the teacher's salary would be less
13 than the minimum salary schedule.

14 C. Any of the degrees referred to in this section shall be from
15 a college recognized by the State Board of Education. The Board
16 shall accept teaching experience from out-of-state school districts
17 that are accredited by the state board of education or appropriate
18 state accrediting agency for the districts. The Board shall accept
19 teaching experience from out-of-country schools that are accredited
20 or otherwise endorsed by the appropriate national or regional
21 accrediting or endorsement authority. Out-of-country certification
22 documentation in a language other than English shall be analyzed by
23 an educational credential evaluation service in accordance with
24 industry standards and guidelines and approved by the State

1 Department of Education. The person seeking to have credit granted
2 for out-of-country teaching experience shall be responsible for all
3 costs of the analysis by a credential evaluation service. The Board
4 shall accept teaching experience from primary and secondary schools
5 that are operated by the United States Department of Defense or are
6 affiliated with the United States Department of State.

7 D. For the purpose of state salary increments and retirement,
8 no teacher shall be granted credit for more than five (5) years of
9 active duty in the military service or out-of-state or out-of-
10 country teaching experience as a certified teacher or its
11 equivalent. Nothing in this section shall prohibit boards of
12 education from crediting more years of experience on district salary
13 schedules than those allowed for state purposes.

14 E. The State Board of Education shall recognize, for purposes
15 of certification and salary increments, all the years of experience
16 of a:

17 1. Certified teacher who teaches in the educational program of
18 the Department of Corrections, beginning with fiscal year 1981;

19 2. Vocational rehabilitation counselor under the Department of
20 Human Services if the counselor was employed as a certified teacher
21 by the State Department of Education when the Division of Vocational
22 Rehabilitation was transferred from the State Board of Career and
23 Technology Education or the State Board of Education to the Oklahoma
24 Public Welfare Commission on July 1, 1968;

1 3. Vocational rehabilitation counselor which were completed
2 while employed by the Department of Human Services if such counselor
3 was certified as a teacher or was eligible for certification as a
4 teacher in Oklahoma;

5 4. Certified teacher which were completed while employed by the
6 Department of Human Services Child Study Center at University
7 Hospital, if the teacher was certified as a teacher in Oklahoma; and

8 5. Certified school psychologist or psychometrist which were
9 completed while employed as a doctoral intern, psychological
10 assistant, or psychologist with any agency of the State of Oklahoma
11 if the experience primarily involved work with persons of school- or
12 preschool-age and if the person was, at the time the experience was
13 acquired, certified as, or eligible for certification as, a school
14 psychologist or psychometrist.

15 F. The provisions of this section shall not apply to teachers
16 who have retired from the Teachers Retirement System of Oklahoma and
17 who have entered into postretirement employment with a public school
18 in Oklahoma ~~and are still receiving a monthly retirement benefit.~~

19 G. If a person employed as certified personnel, as defined in
20 Section 26-103 of this title, by a school district during the 2017-
21 2018 school year was receiving a salary above the step level
22 indicated by the State Minimum Salary Schedule for the 2017-2018
23 school year, the person shall receive a salary increase amount equal
24 to the amount indicated in subsection A for the step level indicated

1 for the person, provided they remain employed by the same district,
2 unless the hours or the duties of the certified personnel are
3 reduced proportionately.

4 SECTION 4. Section 1 of this act shall become effective October
5 1, 2020.

6 SECTION 5. Sections 2 and 3 of this act shall become effective
7 November 1, 2020.

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