

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

HOUSE BILL 4029

By: McCall

AS INTRODUCED

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; providing for applicability of minimum salary schedule without regard to receipt of retirement benefits; 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,

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

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

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

18 7. "Retirement bill" means any bill or joint resolution
19 introduced or any bill or joint resolution amended by a member of
20 the Oklahoma Legislature which creates or amends any law directly
21 affecting a retirement system. A retirement bill shall not mean a
22 bill or resolution that impacts the revenue of any state tax in
23 which a portion of the revenue generated from such tax is earmarked
24 for the benefit of a retirement system;

1 8. "Retirement bill having a fiscal impact" means any
2 retirement bill creating or establishing a retirement system and any
3 other retirement bill other than a nonfiscal retirement bill; and

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

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

14 Section 17-116.10 A. Subject to the requirements of Section 6-
15 101.2 of this title and any other applicable requirements of law, a
16 member may enter into postretirement employment with a public school
17 of Oklahoma and still receive monthly retirement benefits subject to
18 the following limitations:

19 1. A retired member is not eligible to be employed by the
20 public schools of Oklahoma, in any capacity, for ~~sixty (60) calendar~~
21 ~~days~~ one (1) year between the retiree's last day of preretirement
22 public education employment and any postretirement public education
23 employment. For purposes of this section, the term "last day of
24 preretirement employment" shall mean the last day the employee is

1 required to be physically present on the job to complete the terms
2 of the employment contract or agreement. An employee on paid leave
3 is still considered to be employed for purposes of this section.
4 Employment under any conditions during this time, volunteer services
5 for the purpose of obtaining a paid position at a later date, or
6 payment at a later time for services performed during this time
7 period shall cause the forfeiture of all retirement benefits
8 received during the period;

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

1 ~~shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one~~
2 ~~half (1/2) of the member's final average salary used in computing~~
3 ~~retirement benefits. For purposes of this paragraph, the following~~
4 ~~shall apply:~~

- 5 a. ~~earnings shall mean "regular annual compensation" as~~
6 ~~defined in paragraph (25) of Section 17-101 of this~~
7 ~~title, and shall include any payment by a public~~
8 ~~school for services rendered by a retired member who~~
9 ~~is employed for any purpose whatsoever. Supplemental~~
10 ~~retirement payments paid by a former public school~~
11 ~~employer pursuant to subsection 9 of Section 17-105 of~~
12 ~~this title or other state law shall not be considered~~
13 ~~as earnings,~~
- 14 b. ~~the Earnings Limitation for employees allowed by the~~
15 ~~Social Security Administration to workers between the~~
16 ~~age of sixty-two (62) years and sixty-five (65) years~~
17 ~~shall apply to retired members below the age of sixty-~~
18 ~~two (62) years,~~
- 19 c. ~~the limit on allowed earnings from the public schools~~
20 ~~shall be automatically adjusted effective the first~~
21 ~~day of January of each year to reflect the current~~
22 ~~Earnings Limitation for employees as determined from~~
23 ~~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, the member must be employed less than one-half (1/2) time compared to other full-time employees in similar positions;~~

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

4. A member shall be considered to be employed by a school district to perform the duties ordinarily performed by classified or nonclassified personnel if the member is hired by the school district in the member's individual capacity to perform the duties or if the member performs the duties through employment with a

1 proprietorship, partnership, corporation, limited liability company
2 or partnership, or any other business structure that has agreed or
3 contracted to provide the services to the school district.

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

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

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

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

21 SECTION 3. AMENDATORY Section 3, Chapter 394, O.S.L.
22 2013, as last amended by Section 1, Chapter 10, 2nd Extraordinary
23 Session, O.S.L. 2018 (70 O.S. Supp. 2019, Section 18-114.14), is
24 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
11	\$42,177	\$43,336	\$44,061	\$46,438
12	\$42,670	\$43,829	\$44,554	\$46,931
13	\$43,162	\$44,322	\$45,047	\$47,424
14	\$43,655	\$44,815	\$45,539	\$47,916

1	15	\$44,167	\$45,327	\$46,052	\$48,430
2	16	\$44,660	\$45,820	\$46,545	\$48,923
3	17	\$45,153	\$46,313	\$47,038	\$49,416
4	18	\$45,646	\$46,806	\$47,531	\$49,909
5	19	\$46,139	\$47,299	\$48,024	\$50,402
6	20	\$46,652	\$47,813	\$48,538	\$50,917
7	21	\$47,145	\$48,306	\$49,031	\$51,410
8	22	\$47,639	\$48,799	\$49,524	\$51,903
9	23	\$48,132	\$49,292	\$50,018	\$52,397
10	24	\$48,625	\$49,785	\$50,511	\$52,890
11	25	\$50,049	\$51,232	\$51,971	\$54,395

12 Master's Degree +

13 Years of National Board

14 Experience Certification

15	0	\$39,149
16	1	\$39,583
17	2	\$40,018
18	3	\$40,452
19	4	\$40,886
20	5	\$41,358
21	6	\$41,822
22	7	\$42,285
23	8	\$42,749
24	9	\$43,212

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

17 B. 1. When determining the Minimum Salary Schedule, "fringe
18 benefits" shall mean all or part of retirement benefits, excluding
19 the contributions made pursuant to subsection A of Section 17-108.1
20 of this title and the flexible benefit allowance pursuant to Section
21 26-105 of this title from the flexible benefit allowance funds
22 disbursed by the State Board of Education and the State Board of
23 Career and Technology Education pursuant to Section 26-104 of this
24 title.

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

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

1 that are operated by the United States Department of Defense or are
2 affiliated with the United States Department of State.

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

10 E. The State Board of Education shall recognize, for purposes
11 of certification and salary increments, all the years of experience
12 of a:

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

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

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

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

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

11 F. The provisions of this section shall ~~not apply~~ be applicable
12 to teachers who have entered into postretirement employment with a
13 public school in Oklahoma ~~and are still~~ whether or not the teacher
14 is receiving a monthly retirement benefit.

15 G. If a person employed as certified personnel, as defined in
16 Section 26-103 of this title, by a school district during the 2017-
17 2018 school year was receiving a salary above the step level
18 indicated by the State Minimum Salary Schedule for the 2017-2018
19 school year, the person shall receive a salary increase amount equal
20 to the amount indicated in subsection A for the step level indicated
21 for the person, provided they remain employed by the same district,
22 unless the hours or the duties of the certified personnel are
23 reduced proportionately.

1 SECTION 4. Section 1 of this act shall become effective October
2 1, 2020.

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

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6 57-2-10772 MAH 01/15/20

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January 15, 2020

Representative Charles McCall
Room 401

Re: RBH No. 10772

This bill changes the OPLAA definition of a fiscal retirement bill to allow the change of the earnings limitation for OTRS retired participants and continue to receive retirement benefits.

This bill removes any earnings limitation for retired OTRS participants who return to teaching after being retired for at least 1 year. Any retired OTRS participant may return to teaching after being retired for 1year and continue to receive retirement benefits from OTRS.

RBH No. 10772 is non fiscal bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act as the result of the change in the definition of a fiscal retirement bill.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Thomas E. Cummins

Thomas E. Cummins, MAAA