

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2320

By: Hilbert, Boles, Hasenbeck,
Moore, Johns, Hardin, Lowe
(Dick), Roberts, Davis,
Rosecrants, Fetgatter,
Deck, West (Josh), Menz,
Schreiber, and Waldron of
the House

and

McCortney of the Senate

COMMITTEE SUBSTITUTE

An Act relating to the Teachers' Retirement System of
Oklahoma; amending 62 O.S. 2021, Section 3103, as
last amended by Section 1, Chapter 306, O.S.L. 2022
(62 O.S. Supp. 2023, Section 3103), which relates to
the Oklahoma Pension Legislation Actuarial Analysis
Act; modifying definition; amending 70 O.S. 2021,
Section 17-116.10, which relates to postretirement
employment; modifying earnings limitation provisions
for certain retired members; providing effective
dates; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as
last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.
2023, 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 of
5 Representatives or Senate, any conference committee of the House or
6 Senate or by the 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,
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,

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

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

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

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

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

1 actuarial accrued liability of the applicable
2 retirement system,

3 g. which modifies the disability pension standard for
4 police officers who are members of the Oklahoma Police
5 Pension and Retirement System as provided by ~~Section 3~~
6 ~~of this act~~ Section 50-115 of Title 11 of the Oklahoma
7 Statutes,

8 h. which provides a cost-of-living benefit increase
9 pursuant to the provisions of:

10 (1) Section 49-143.7 of Title 11 of the Oklahoma
11 Statutes,

12 (2) Section 50-136.9 of Title 11 of the Oklahoma
13 Statutes,

14 (3) Section 1104K of Title 20 of the Oklahoma
15 Statutes,

16 (4) Section 2-305.12 of Title 47 of the Oklahoma
17 Statutes,

18 (5) Section 17-116.22 of Title 70 of the Oklahoma
19 Statutes, and

20 (6) Section 930.11 of Title 74 of the Oklahoma
21 Statutes, ~~or~~

22 i. which modifies the computation of the line-of-duty
23 disability benefit pursuant to the provisions of ~~this~~
24

1 ~~act~~ this section and Sections 50-101 and 50-115 of
2 Title 11 of the Oklahoma Statutes, or

3 j. which restricts the implementation of postretirement
4 earnings limitations for members of the Teachers'
5 Retirement System of Oklahoma who are age sixty-two
6 (62) or older as provided for in Section 2 of this
7 act.

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

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

19 7. "Retirement bill" means any bill or joint resolution
20 introduced or any bill or joint resolution amended by a member of
21 the ~~Oklahoma~~ Legislature which creates or amends any law directly
22 affecting a retirement system. A retirement bill shall not mean a
23 bill or resolution that impacts the revenue of any state tax in
24

1 which a portion of the revenue generated from such tax is earmarked
2 for the benefit of a retirement system;

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

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

13 SECTION 2. AMENDATORY 70 O.S. 2021, Section 17-116.10,
14 is amended to read as follows:

15 Section 17-116.10. A. ~~Subject~~ Except as otherwise provided by
16 subsection F of this section, and subject to the requirements of
17 Section 6-101.2 of this title and any other applicable requirements
18 of law, a member of the Teachers' Retirement System of Oklahoma may
19 enter into postretirement employment with a public school of
20 Oklahoma and still receive monthly retirement benefits subject to
21 the following limitations:

22 1. A retired member is not eligible to be employed by the
23 public schools of Oklahoma, in any capacity, for sixty (60) calendar
24 days between the retiree's last day of preretirement public

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

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

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

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

1 ~~Earnings Limitation~~ earnings limitation for employees
2 as determined from time to time by the Social Security
3 Administration,

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

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

15 f. for those members age seventy (70) years and over, the
16 earnings in excess of the maximum limit allowed
17 earnings from public schools of Oklahoma shall be one-
18 half (1/2) the member's final average salary used in
19 computing retirement benefits. However, any retired
20 member receiving benefits from the Retirement System
21 who reached age seventy (70) years prior to July 1,
22 1991, shall not be restricted by the earnings limits
23 pursuant to this subparagraph until January 1, 1994.
24 To qualify for the provisions of this subparagraph,

1 the member must be employed less than one-half (1/2)
2 the time compared to other full-time employees in
3 similar 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. For a
17 period of three (3) years beginning July 1, 2021, members who have
18 retired as of July 1, 2020, who have been retired and receiving a
19 benefit for at least one (1) year, and who have not been employed by
20 any public school during that one-year period, shall be eligible to
21 be reemployed as an active classroom teacher in common or career
22 tech school districts, with no limitations on earnings. The one-
23 year period starts with the retiree's last day of preretirement
24 public education employment. Members returning under this section

1 shall not be subject to any ~~earning limitations~~ earnings limitation
2 following the end of the three-year periods described in this
3 paragraph. Members returning under this section shall only be
4 employed pursuant to a temporary contract; and

5 4. A member shall be considered to be employed by a school
6 district to perform the duties ordinarily performed by classified or
7 nonclassified personnel if the member is hired by the school
8 district in the member's individual capacity to perform the duties
9 or if the member performs the duties through employment with a
10 proprietorship, partnership, corporation, limited liability company
11 or partnership, or any other business structure that has agreed or
12 contracted to provide the services to the school district.

13 B. A public school district that employs a retired member shall
14 be required to make contributions to the System for the retired
15 member in an amount as required in Section 17-108.1 and in paragraph
16 3 of subsection B of Section 17-116.2 of this title.

17 C. For purposes of this section, postretirement employment of
18 less than one thousand (1,000) hours per year with the Governor, the
19 ~~State~~ Senate, the House of Representatives or the Legislative
20 Service Bureau shall not be considered as postretirement employment
21 with a public school of Oklahoma.

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

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

6 F. Any provision of this section that would otherwise impose
7 limitations on postretirement earnings of retired members of the
8 System who are age sixty-two (62) or older shall not be applicable
9 with respect to postretirement employment with a public school of
10 Oklahoma from the effective date of this act until June 30, 2027.

11 SECTION 3. If the emergency clause is not approved pursuant to
12 the requirements of the Oklahoma Constitution as part of this
13 measure, the effective date of Section 1 of this act shall be
14 October 1, 2024.

15 SECTION 4. If the emergency clause is not approved pursuant to
16 the requirements of the Oklahoma Constitution as part of this
17 measure, the effective date of Section 2 of this act shall be
18 November 1, 2024.

19 SECTION 5. Except as otherwise provided by Section 3 of this
20 act, Section 1 of this act shall become effective immediately upon
21 signature by the Governor or as otherwise provided by Section 58 of
22 Article V of the Oklahoma Constitution.

23 SECTION 6. Except as otherwise provided by Section 4 of this
24 act, Section 2 of this act shall become effective July 1, 2024.

SECTION 7. It being immediately necessary for the preservation
of the public peace, health or safety, an emergency is hereby
declared to exist, by reason whereof this act shall take effect and
be in full force from and after its passage and approval.

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