

CORRECTED

ENGROSSED HOUSE
BILL NO. 2320

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

and

McCortney of the Senate

An Act relating to the Teachers' Retirement System;
amending 62 O.S. 2021, Section 3103, as 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
term; amending 70 O.S. 2021, Section 17-116.10, which
relates to postretirement employment; modifying
provisions relating to retirement benefits; providing
effective dates; providing for contingent effective
dates based on outcome of approval of the emergency
clause; 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
amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2023,
Section 3103), is amended to read as follows:

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

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

1 2. "RB number" means that number preceded by the letters "RB"
2 assigned to a retirement bill by the respective staffs of the
3 Oklahoma State Senate and the Oklahoma House of Representatives when
4 the respective staff office prepares a retirement bill for a member
5 of the Legislature;

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

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

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

- 16 a. which does not affect the cost or funding factors of a
17 retirement system,
- 18 b. which affects such factors only in a manner which does
19 not:
 - 20 (1) grant a benefit increase under the retirement
21 system affected by the bill,
 - 22 (2) create an actuarial accrued liability for or
23 increase the actuarial accrued liability of the
24 retirement system affected by the bill, or

- 1 (3) increase the normal cost of the retirement system
2 affected by the bill,
- 3 c. which authorizes the purchase by an active member of
4 the retirement system, at the actuarial cost for the
5 purchase as computed pursuant to the statute in effect
6 on the effective date of the measure allowing such
7 purchase, of years of service for purposes of reaching
8 a normal retirement date in the applicable retirement
9 system, but which cannot be used in order to compute
10 the number of years of service for purposes of
11 computing the retirement benefit for the member,
- 12 d. which provides for the computation of a service-
13 connected disability retirement benefit for members of
14 the Oklahoma Law Enforcement Retirement System
15 pursuant to Section 2-305 of Title 47 of the Oklahoma
16 Statutes if the members were unable to complete twenty
17 (20) years of service as a result of the disability,
- 18 e. which requires membership in the defined benefit plan
19 authorized by Section 901 et seq. of Title 74 of the
20 Oklahoma Statutes for persons whose first elected or
21 appointed service occurs on or after November 1, 2018,
22 if such persons had any prior service in the Oklahoma
23 Public Employees Retirement System prior to November
24 1, 2015,

1 f. which provides for a one-time increase in retirement
2 benefits if the increase in retirement benefits is not
3 a permanent increase in the gross annual retirement
4 benefit payable to a member or beneficiary, occurs
5 only once pursuant to a single statutory authorization
6 and does not exceed:

7 (1) the lesser of two percent (2%) of the gross
8 annual retirement benefit of the member or One
9 Thousand Dollars (\$1,000.00) and requires that
10 the benefit may only be provided if the funded
11 ratio of the affected retirement system would not
12 be less than sixty percent (60%) but not greater
13 than eighty percent (80%) after the benefit
14 increase is paid,

15 (2) the lesser of two percent (2%) of the gross
16 annual retirement benefit of the member or One
17 Thousand Two Hundred Dollars (\$1,200.00) and
18 requires that the benefit may only be provided if
19 the funded ratio of the affected retirement
20 system would be greater than eighty percent (80%)
21 but not greater than one hundred percent (100%)
22 after the benefit increase is paid,

23 (3) the lesser of two percent (2%) of the gross
24 annual retirement benefit of the member or One

1 Thousand Four Hundred Dollars (\$1,400.00) and
2 requires that the benefit may only be provided if
3 the funded ratio of the affected retirement
4 system would be greater than one hundred percent
5 (100%) after the benefit increase is paid, or
6 (4) the greater of two percent (2%) of the gross
7 annual retirement benefit of the volunteer
8 firefighter or One Hundred Dollars (\$100.00) for
9 persons who retired from the Oklahoma
10 Firefighters Pension and Retirement System as
11 volunteer firefighters and who did not retire
12 from the Oklahoma Firefighters Pension and
13 Retirement System as a paid firefighter.

14 As used in this subparagraph, "funded ratio" means the
15 figure derived by dividing the actuarial value of
16 assets of the applicable retirement system by the
17 actuarial accrued liability of the applicable
18 retirement system,

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

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

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

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

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

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

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

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

i. which modifies the computation of the line-of-duty disability benefit pursuant to ~~the provisions of this act~~ Sections 50-101 and 50-115 of Title 11 of the Oklahoma Statutes, or

j. which provides a restriction on provisions limiting postretirement earnings pursuant to the provisions of this act.

A nonfiscal retirement bill shall include any retirement bill that has as its sole purpose the appropriation or distribution or redistribution of monies in some manner to a retirement system for

1 purposes of reducing the unfunded liability of such system or the
2 earmarking of a portion of the revenue from a tax to a retirement
3 system or increasing the percentage of the revenue earmarked from a
4 tax to a retirement system;

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

9 7. "Retirement bill" means any bill or joint resolution
10 introduced or any bill or joint resolution amended by a member of
11 the Oklahoma Legislature which creates or amends any law directly
12 affecting a retirement system. A retirement bill shall not mean a
13 bill or resolution that impacts the revenue of any state tax in
14 which a portion of the revenue generated from such tax is earmarked
15 for the benefit of a retirement system;

16 8. "Retirement bill having a fiscal impact" means any
17 retirement bill creating or establishing a retirement system and any
18 other retirement bill other than a nonfiscal retirement bill; and

19 9. "Retirement system" means the Teachers' Retirement System of
20 Oklahoma, the Oklahoma Public Employees Retirement System, the
21 Uniform Retirement System for Justices and Judges, the Oklahoma
22 Firefighters Pension and Retirement System, the Oklahoma Police
23 Pension and Retirement System, the Oklahoma Law Enforcement
24

1 Retirement System, or a retirement system established after January
2 1, 2006.

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

5 Section 17-116.10 A. ~~Subject~~ Except as otherwise provided by
6 subsection F of this section, to the requirements of Section 6-101.2
7 of this title and any other applicable requirements of law, a member
8 may enter into postretirement employment with a public school of
9 Oklahoma and still receive monthly retirement benefits subject to
10 the following limitations:

11 1. A retired member is not eligible to be employed by the
12 public schools of Oklahoma, in any capacity, for sixty (60) calendar
13 days between the retiree's last day of preretirement public
14 education employment and any postretirement public education
15 employment. For purposes of this section, the term "last day of
16 preretirement employment" shall mean the last day the employee is
17 required to be physically present on the job to complete the terms
18 of the employment contract or agreement. An employee on paid leave
19 is still considered to be employed for purposes of this section.
20 Employment under any conditions during this time, volunteer services
21 for the purpose of obtaining a paid position at a later date, or
22 payment at a later time for services performed during this time
23 period shall cause the forfeiture of all retirement benefits
24 received during the period;

1 2. Unless otherwise provided in paragraph 3 of this subsection,
2 earnings from the public schools may not exceed one-half (1/2) of
3 the member's final average salary used in computing retirement
4 benefits, or the Earnings Limitation for employees allowed by the
5 Social Security Administration, whichever is less. For retired
6 members under the age of sixty-two (62) years, the limit on allowed
7 earnings from the public schools of Oklahoma for employment for the
8 performance of duties ordinarily performed by classified or
9 nonclassified personnel shall be the lesser of Fifteen Thousand
10 Dollars (\$15,000.00) or one-half (1/2) of the member's final average
11 salary used in computing retirement benefits unless the earnings
12 limitation allowed by the Social Security Administration would be
13 greater than Fifteen Thousand Dollars (\$15,000.00). For retired
14 members sixty-two (62) years of age or older the limit on allowed
15 earnings from the public schools of Oklahoma for the performance of
16 duties ordinarily performed by classified or nonclassified personnel
17 shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one-
18 half (1/2) of the member's final average salary used in computing
19 retirement benefits. For purposes of this paragraph, the following
20 shall apply:

- 21 a. earnings shall mean "regular annual compensation" as
22 defined in paragraph (25) of Section 17-101 of this
23 title, and shall include any payment by a public
24 school for services rendered by a retired member who

1 is employed for any purpose whatsoever. Supplemental
2 retirement payments paid by a former public school
3 employer pursuant to subsection 9 of Section 17-105 of
4 this title or other state law shall not be considered
5 as earnings,

6 b. the Earnings Limitation for employees allowed by the
7 Social Security Administration to workers between the
8 age of sixty-two (62) years and sixty-five (65) years
9 shall apply to retired members below the age of sixty-
10 two (62) years,

11 c. the limit on allowed earnings from the public schools
12 shall be automatically adjusted effective the first
13 day of January of each year to reflect the current
14 Earnings Limitation for employees as determined from
15 time to time by the Social Security Administration,

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

21 e. earnings in excess of the maximum limit on allowed
22 earnings from public schools of Oklahoma shall result
23 in a loss of future retirement benefits for the year
24 the postretirement employment was performed of One

1 Dollar (\$1.00) for each One Dollar (\$1.00) earned over
2 the maximum allowed earnings amount,

3 f. for those members age seventy (70) years and over, the
4 earnings in excess of the maximum limit allowed
5 earnings from public schools of Oklahoma shall be one-
6 half (1/2) the member's final average salary used in
7 computing retirement benefits. However, any retired
8 member receiving benefits from the Retirement System
9 who reached age seventy (70) years prior to July 1,
10 1991, shall not be restricted by the earnings limits
11 pursuant to this subparagraph until January 1, 1994.
12 To qualify for the provisions of this subparagraph,
13 the member must be employed less than one-half (1/2)
14 time compared to other full-time employees in similar
15 positions;

16 3. Notwithstanding paragraph 2 of this subsection, a retired
17 classified or nonclassified member who has been retired for thirty-
18 six (36) or more months and who is employed by a public school to
19 perform duties ordinarily performed by classified or nonclassified
20 personnel shall be able to receive annualized earnings from the
21 public school with no reduction in retirement benefits regardless of
22 the amount of annualized earnings. For a period of three (3) years
23 beginning July 1, 2017, members who have retired as of July 1, 2017,
24 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. For a period of three (3) years beginning July 1, 2021, members who have retired as of July 1, 2020, 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 periods 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 proprietorship, partnership, corporation, limited liability company or partnership, or any other business structure that has agreed or contracted to provide the services to the school district.

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

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

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

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

18 F. Provisions of this section that would otherwise impose
19 limitations on postretirement earnings of retired members of the
20 System shall not be applicable with respect to any member who enters
21 into postretirement employment with a public school of Oklahoma from
22 the effective date of this act until June 30, 2027.

23 SECTION 3. If the Emergency Clause is not approved pursuant to
24 the requirements of the Oklahoma Constitution as part of this

1 measure, the effective date of Section 1 of this act shall be
2 October 1, 2024.

3 SECTION 4. If the Emergency Clause is not approved pursuant to
4 the requirements of the Oklahoma Constitution as part of this
5 measure, the effective date of Section 2 of this act shall be
6 November 1, 2024.

7 SECTION 5. Except as otherwise provided by Section 3 of this
8 act, Section 1 of this act shall become effective immediately upon
9 signature by the Governor or as otherwise provided by Section 58 of
10 Article V of the Oklahoma Constitution.

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

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

1 Passed the House of Representatives the 12th day of March, 2024.

2
3 _____
4 Presiding Officer of the House
5 of Representatives

6 Passed the Senate the ____ day of _____, 2024.

7
8 _____
9 Presiding Officer of the Senate