

1 ENGROSSED HOUSE
2 BILL NO. 1090

By: Osburn of the House

3 and

4 Montgomery of the Senate

5
6
7 [public retirement systems - Teachers' Retirement
8 System of Oklahoma - out-of-state teaching service
9 credit - effective dates]
10
11

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

13 SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as
14 last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.
15 2018, Section 3103), is amended to read as follows:

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

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

22 2. "RB number" means that number preceded by the letters "RB"
23 assigned to a retirement bill by the respective staffs of the
24 Oklahoma State Senate and the Oklahoma House of Representatives when

1 the respective staff office prepares a retirement bill for a member
2 of the Legislature;

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

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

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

13 a. which does not affect the cost or funding factors of a
14 retirement system, or

15 b. which affects such factors only in a manner which does
16 not:

17 (1) grant a benefit increase under the retirement
18 system affected by the bill,

19 (2) create an actuarial accrued liability for or
20 increase the actuarial accrued liability of the
21 retirement system affected by the bill, or

22 (3) increase the normal cost of the retirement system
23 affected by the bill,

24

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

1 a permanent increase in the gross annual retirement
2 benefit payable to a member or beneficiary, occurs
3 only once pursuant to a single statutory authorization
4 and does not exceed:

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

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

21 (3) the lesser of two percent (2%) of the gross
22 annual retirement benefit of the member or One
23 Thousand Four Hundred Dollars (\$1,400.00) and
24 requires that the benefit may only be provided if

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

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

17 g. which provides for the purchase of service credit in
18 the Teachers' Retirement System of Oklahoma pursuant
19 to the provisions of Section 17-116.2 of Title 70 of
20 the Oklahoma Statutes.

21 A nonfiscal retirement bill shall include any retirement bill that
22 has as its sole purpose the appropriation or distribution or
23 redistribution of monies in some manner to a retirement system for
24 purposes of reducing the unfunded liability of such system or the

1 earmarking of a portion of the revenue from a tax to a retirement
2 system or increasing the percentage of the revenue earmarked from a
3 tax to a retirement system;

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

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

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

18 9. "Retirement system" means the Teachers' Retirement System of
19 Oklahoma, the Oklahoma Public Employees Retirement System, the
20 Uniform Retirement System for Justices and Judges, the Oklahoma
21 Firefighters Pension and Retirement System, the Oklahoma Police
22 Pension and Retirement System, the Oklahoma Law Enforcement
23 Retirement System, or a retirement system established after January
24 1, 2006.

1 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-116.2, as
2 last amended by Section 1, Chapter 250, O.S.L. 2015 (70 O.S. Supp.
3 2018, Section 17-116.2), is amended to read as follows:

4 Section 17-116.2 A. 1. Beginning July 1, 1987, and prior to
5 July 1, 1995, a member who retires on or after the member's normal
6 retirement age or whose retirement is because of disability shall
7 receive an annual allowance for life, payable monthly, in an amount
8 equal to two percent (2%) of the member's highest three-year average
9 salary upon which member contributions were made, multiplied by the
10 number of the member's years of creditable service.

11 A classified member who retired prior to July 1, 1986, shall
12 have the member's retirement allowance calculated on a minimum
13 average salary of Eleven Thousand Five Hundred Dollars (\$11,500.00)
14 or on the member's current minimum average salary plus Two Thousand
15 Dollars (\$2,000.00), whichever is greater. Beginning July 1, 1994,
16 a classified member who retired prior to July 1, 1993, shall have
17 the member's retirement allowance calculated on the member's current
18 minimum average salary plus Five Hundred Fifty Dollars (\$550.00).

19 An unclassified member who retired prior to July 1, 1986, shall have
20 the member's retirement allowance calculated on a minimum average
21 salary of Nine Thousand Five Hundred Dollars (\$9,500.00) or on the
22 member's current minimum average salary plus One Thousand Dollars
23 (\$1,000.00), whichever is greater. Beginning July 1, 1994, an
24 unclassified member who retired prior to July 1, 1993, shall have

1 the member's retirement allowance calculated on the member's current
2 minimum average salary plus Two Hundred Seventy-five Dollars
3 (\$275.00). Those individuals receiving benefits pursuant to
4 subsection (3) of Section 17-105 of this title whose benefits
5 commenced prior to July 1, 1993, shall receive an increase in
6 benefits of two and one-half percent (2 1/2%). No retirement
7 benefit payments shall be made retroactively.

8 For those members retiring before normal retirement age, except
9 for those members retiring because of a disability, the retirement
10 allowance shall be subject to adjustment in accordance with the
11 actuarial equivalent factors adopted by the Board of Trustees.

12 2. Beginning July 1, 1995, a member, who has no service
13 performed on or after July 1, 1995, for an entity or institution
14 within The Oklahoma State System of Higher Education, who retires on
15 or after the member's normal retirement age or whose retirement is
16 because of disability shall receive an annual allowance for life,
17 payable monthly as follows:

18 a. if the member becomes a member after June 30, 1995,
19 and was not eligible to become a member prior to July
20 1, 1995, in an amount equal to two percent (2%) of the
21 member's average salary upon which member
22 contributions were made, multiplied by the number of
23 the member's years of creditable service, or
24

1 b. if the member became a member or is eligible to become
2 a member prior to July 1, 1995, and elected to have a
3 maximum compensation level in excess of Twenty-five
4 Thousand Dollars (\$25,000.00) pursuant to paragraph 1
5 of subsection C of this section or pursuant to
6 subsection E of this section, or if the member's
7 salary has never exceeded Twenty-five Thousand Dollars
8 (\$25,000.00) prior to July 1, 1995, in an amount equal
9 to:

10 (1) two percent (2%) of the member's average salary
11 upon which member contributions were made not to
12 exceed Forty Thousand Dollars (\$40,000.00),
13 multiplied by the number of the member's years of
14 credited service authorized and performed prior
15 to July 1, 1995, plus any years of prior service
16 authorized under this title, plus

17 (2) two percent (2%) of the member's average salary
18 upon which member contributions were made,
19 multiplied by the number of the member's years of
20 credited service authorized and performed after
21 June 30, 1995, or

22 c. if the member became a member or is eligible to become
23 a member prior to July 1, 1995, and was eligible to
24 elect to have a maximum compensation level in excess

1 of Twenty-five Thousand Dollars (\$25,000.00) and did
2 not elect or elected not to have a maximum
3 compensation level of Forty Thousand Dollars
4 (\$40,000.00) pursuant to paragraph 1 of subsection C
5 of this section or pursuant to subsection E of this
6 section, in an amount equal to:

- 7 (1) two percent (2%) of the member's average salary
8 upon which member contributions were made not to
9 exceed Twenty-five Thousand Dollars (\$25,000.00),
10 multiplied by the number of the member's years of
11 credited service authorized and performed prior
12 to July 1, 1995, plus any years of prior service
13 authorized under this title, plus
14 (2) two percent (2%) of the member's average salary
15 upon which member contributions were made,
16 multiplied by the number of the member's years of
17 credited service authorized and performed after
18 June 30, 1995.

19 B. Except as otherwise provided for in this section, the amount
20 contributed by each member to the retirement system shall be:

- 21 1. Beginning July 1, 1992, through June 30, 1996, six percent
22 (6%) of the regular annual compensation of such member not in excess
23 of Twenty-five Thousand Dollars (\$25,000.00) and beginning July 1,
24

1 1995, through June 30, 1996, six percent (6%) of the maximum
2 compensation level;

3 2. Beginning July 1, 1996, through June 30, 1997, six and one-
4 half percent (6 1/2%) of the regular annual compensation of members,
5 who are not employed by an entity or institution within The Oklahoma
6 State System of Higher Education not in excess of Twenty-five
7 Thousand Dollars (\$25,000.00) and beginning July 1, 1996, through
8 June 30, 1997, six and one-half percent (6 1/2%) of the regular
9 annual compensation of members, who are employed by an entity or
10 institution within The Oklahoma State System of Higher Education,
11 not in excess of Twenty-five Thousand Dollars (\$25,000.00);

12 3. Beginning July 1, 1997, seven percent (7%) of the regular
13 annual compensation of the member not in excess of any applicable
14 maximum compensation level of the member; and

15 4. All public schools in this state shall treat the employee
16 contributions as being picked up under the provisions of Section 414
17 (h) (2) of the Internal Revenue Code of 1986 in determining tax
18 treatment.

19 Subject to Internal Revenue Service approval, paragraph 4 of this
20 subsection shall not apply to a comprehensive university group
21 established on or before July 1, 1998, whose employee contributions
22 were consistently treated as not picked up as of July 1, 1998, and
23 at all times thereafter.

24

1 C. 1. Prior to July 1, 1995, an active member of the System
2 may elect to have a maximum compensation level of Forty Thousand
3 Dollars (\$40,000.00). Such an election shall be made in writing and
4 filed with the System. Members whose salaries are in excess of
5 Twenty-five Thousand Dollars (\$25,000.00) on July 20, 1987, shall
6 file the election with the System prior to January 1, 1988. Members
7 whose salaries exceed Twenty-five Thousand Dollars (\$25,000.00)
8 after July 20, 1987, shall file the election when the salary exceeds
9 Twenty-five Thousand Dollars (\$25,000.00). If a member makes such
10 an election, the member shall contribute the following amounts:

- 11 a. beginning July 1, 1992, through June 30, 1993, eleven
12 percent (11%) of the regular annual compensation of
13 such member that is in excess of Twenty-five Thousand
14 Dollars (\$25,000.00) and is not in excess of Forty
15 Thousand Dollars (\$40,000.00),
- 16 b. beginning July 1, 1993, through June 30, 1994, nine
17 percent (9%) of the regular annual compensation of
18 such member that is in excess of Twenty-five Thousand
19 Dollars (\$25,000.00) and is not in excess of Forty
20 Thousand Dollars (\$40,000.00), and
- 21 c. beginning July 1, 1994, through June 30, 1995, eight
22 percent (8%) of the regular annual compensation of
23 such member that is in excess of Twenty-five Thousand
24 Dollars (\$25,000.00) and is not in excess of Forty

1 Thousand Dollars (\$40,000.00). Except as provided in
2 subsection E of this section, any such election shall
3 be irrevocable.

4 2. After June 30, 1995, in addition to the amount contributed
5 by each member to the retirement system pursuant to subsection B of
6 this section, the total amount contributed by each member to the
7 retirement system shall include, beginning July 1, 1995, through
8 June 30, 1997, seven percent (7%) of the regular annual compensation
9 of each member, who is not employed by an entity or institution
10 within The Oklahoma State System of Higher Education, that is in
11 excess of Twenty-five Thousand Dollars (\$25,000.00) and beginning
12 July 1, 1996, through June 30, 1997, seven percent (7%) of the
13 regular annual compensation of each member who is employed by an
14 entity or institution within The Oklahoma State System of Higher
15 Education in excess of Twenty-five Thousand Dollars (\$25,000.00),
16 but not in excess of any applicable maximum compensation level of
17 the member.

18 D. 1. Any member who was a contributing member of the
19 Retirement System between July 1, 1987, and June 30, 1995, who at
20 the time the member was eligible to make an election to increase the
21 maximum compensation level of the member, failed to make an election
22 or chose not to increase the maximum compensation level of the
23 member to Forty Thousand Dollars (\$40,000.00), may elect to make
24 back contributions to the Retirement System. The member shall

1 complete a new election form and file with the Board of Trustees,
2 the form and a payment equaling the difference between the amount
3 contributed at the twenty-five-thousand-dollar level and the
4 appropriate contribution on compensation in excess of Twenty-five
5 Thousand Dollars (\$25,000.00) up to a maximum of Forty Thousand
6 Dollars (\$40,000.00) shall be made prior to the official retirement
7 date of the member. The required payment shall include any
8 contribution required by the employing school district, and shall
9 include interest compounded annually at ten percent (10%) per annum
10 of both employer and employee contributions.

11 2. Any changes made pursuant to this subsection shall be
12 irrevocable.

13 E. 1. An individual who withdrew from the Teachers' Retirement
14 System and whose salary was in excess of Seven Thousand Eight
15 Hundred Dollars (\$7,800.00) and had elected to contribute only on
16 Seven Thousand Eight Hundred Dollars (\$7,800.00) before his or her
17 withdrawal shall contribute on the earning ceiling as provided for
18 in this section on his or her reentry into membership in the
19 Teachers' Retirement System.

20 2. An individual who elected to contribute on a maximum of
21 Seven Thousand Eight Hundred Dollars (\$7,800.00) per annum shall,
22 beginning July 1, 1979, contribute on his or her earning ceiling as
23 provided for in this section.

24

1 3. Any member who elected to contribute on Seven Thousand Eight
2 Hundred Dollars (\$7,800.00) prior to January 1, 1978, and whose
3 salary was more than Seven Thousand Eight Hundred Dollars
4 (\$7,800.00) during the school years 1974-75 through 1978-79 may
5 elect to make back contributions to the retirement system by paying
6 the five percent (5%) contributions on the difference between Seven
7 Thousand Eight Hundred Dollars (\$7,800.00) and the actual salary of
8 the member, not to exceed Ten Thousand Dollars (\$10,000.00) for each
9 applicable school year, plus interest compounded annually at ten
10 percent (10%) per annum. Such payment shall be made prior to the
11 official retirement date of the member.

12 F. Each employer shall cause to be deducted from the salary of
13 each member on each and every payroll of such employer for each and
14 every payroll period, the proper percentage of his or her earnable
15 compensation as provided for in subsection B or subsection C of this
16 section.

17 1. Deductions shall begin with the first payroll period of the
18 school year. In determining the amount earnable by a member in a
19 payroll period, the Board of Trustees shall consider the rate of
20 annual compensation payable to such member on the first day of the
21 payroll period as continuing throughout such payroll period, and it
22 may omit deductions from compensation for any period less than a
23 full period, and to facilitate the making of deductions, it may
24 modify the deduction required of any member by such an amount as

1 shall not exceed one-tenth of one percent (1/10 of 1%) of the annual
2 compensation upon the basis of which such deduction is to be made.
3 Prior to January 1, 1991, any active contributing member who joined
4 the System subsequent to July 1, 1943, may pay the normal cost,
5 which shall mean the single sum which would have been paid under
6 existing statutes at the time the service was performed, plus
7 interest, for years of teaching service in Oklahoma from the date of
8 establishment of the System in 1943 to date of membership, in a lump
9 sum, or in installments equal to establishing one (1) year of
10 creditable service. Effective January 1, 1991, any active
11 contributing member who joined the System subsequent to July 1,
12 1943, may pay the amount determined by the Board of Trustees
13 pursuant to Section 17-116.8 of this title for years of teaching
14 service in Oklahoma from the date of establishment of the System in
15 1943 to date of membership, in a lump sum, or in installments equal
16 to establishing one (1) year of creditable service. For purposes of
17 this option, teaching service in Oklahoma shall include the teaching
18 of vocational agricultural courses within Oklahoma for the federal
19 government. Years for which contributions are paid shall count as
20 membership service under this plan. A On or after November 1, 2019,
21 an active member may receive credit for ~~not more than five (5) years~~
22 of teaching service rendered while in the Peace Corps or in the
23 public schools of a territory of the United States or the public
24 schools, American Military Dependent Schools or state colleges or

1 state universities outside this state by paying ~~his or her~~
2 ~~contributions, plus interest, and membership fees to the retirement~~
3 ~~system, subject to the regulations of the Board of Trustees,~~
4 ~~providing he or she is not receiving and is not eligible to receive~~
5 ~~retirement credit or benefits from said service in any other public~~
6 ~~retirement system of this state, or any other state or territory of~~
7 ~~the United States subject to the following provisions:~~

8 a. ~~the member is required to have two (2) years of~~
9 ~~employed service teaching earned in Oklahoma for each~~
10 ~~year of Peace Corps, territorial, out-of-state,~~
11 ~~noncovered in-state or military membership credit~~
12 ~~granted.~~

13 b. ~~prior to January 1, 1991, the out-of-state or~~
14 ~~noncovered in-state payment shall be the normal cost,~~
15 ~~which means the single sum which would have been paid~~
16 ~~under existing law at the time the service was~~
17 ~~performed, plus interest, on the basis of what his or~~
18 ~~her annual salary would have been in Oklahoma or out~~
19 ~~of state, whichever is greater, had he or she been~~
20 ~~employed as a teacher. Effective January 1, 1991, the~~
21 ~~Peace Corps, territorial, out-of-state or noncovered~~
22 ~~in-state payment shall be the amount determined by the~~
23 ~~Board of Trustees pursuant to Section 17-116.8 of this~~
24 ~~title, provided he or she is not receiving and is not~~

1 eligible to receive retirement credit or benefits from
2 said service in any other public retirement system of
3 this state, or any other state or territory of the
4 United States.

5 2. In addition to the deductions hereinabove provided for, any
6 member who becomes a member of the Armed Forces of the United States
7 of America during any period of national emergency, including World
8 War II, the Korean conflict, the Vietnam conflict or others as may
9 be determined by the Board of Trustees, or whose entrance into or
10 training for the teaching profession was interrupted by his or her
11 entrance into the Armed Forces, and who was or shall have become a
12 member of the Teachers' Retirement System shall be granted the
13 privilege of making up his or her five percent (5%) contributions as
14 provided for in this section until January 1, 1991, for not to
15 exceed five (5) years of service in the Armed Forces by electing to
16 pay said contributions on the basis of the rate of pay in his or her
17 contract as a teacher at the time his or her service in the Armed
18 Forces commenced or in the case of a teacher who was not teaching
19 prior to entering the Armed Forces, on the basis of the salary of
20 the first year of teaching after being honorably discharged from the
21 Armed Forces. Effective January 1, 1991, the member will receive
22 such service upon payment of the amount determined by the Board of
23 Trustees pursuant to Section 17-116.8 of this title. Such
24 contributions shall be credited in the regular manner, and the

1 period for which said contributions were paid shall be counted as
2 creditable years of service and allocated to the period during which
3 the military service was rendered, except that the period for which
4 contributions were paid must have been continuous and shall be
5 credited in the aggregate, regardless of fiscal year limitations.
6 Notwithstanding any provision herein to the contrary, contributions,
7 benefits and service credit with respect to qualified military
8 service as defined by Section 414(u) of the Internal Revenue Code of
9 1986 shall be provided in accordance with Section 414(u) of the
10 Internal Revenue Code.

11 3. Retirement benefits for all service credits purchased
12 pursuant to this subsection shall be determined in accordance with
13 the provisions of paragraph 2 of this subsection.

14 G. Effective July 1, 2004, the total creditable service of a
15 member who retires or terminates employment and elects a vested
16 benefit shall include not to exceed one hundred twenty (120) days of
17 unused sick leave accumulated subsequent to August 1, 1959. Twenty
18 (20) days of unused sick leave shall equal one (1) month for
19 purposes of creditable service credit. If the member becomes a
20 member or was eligible to become a member prior to July 1, 1995, the
21 year of credit received in this section shall be treated as service
22 earned prior to July 1, 1995. This subsection shall apply to
23 members retiring or vesting on or after the effective date of this
24 act and shall not be retroactive.

1 H. Any member who:

2 1. Shall be absent from the teaching service because of
3 election to the State Legislature or appointment to the executive
4 branch in an education-related capacity shall be allowed thirty (30)
5 days from the date as of which the person is officially elected or
6 appointed to file an election with the Teachers' Retirement System
7 to retain his or her membership in the Teachers' Retirement System
8 upon payment of the contribution required of other members and
9 employers of said members as provided for in this section and his or
10 her service credits shall continue to be accumulated during such
11 absence, provided he or she is not receiving retirement credits or
12 benefits from said service beginning after July 1, 1992, in other
13 public retirement systems; or

14 2. Became an employee of the Oklahoma Commission for Teacher
15 Preparation on or subsequent to June 1, 2001, but prior to July 1,
16 2002, who was previously employed by a participating employer within
17 the Teachers' Retirement System of Oklahoma, may elect to cancel any
18 accumulated service credit accrued within the Oklahoma Public
19 Employees Retirement System on or after June 1, 2001, but prior to
20 July 1, 2002, by filing an election with the Oklahoma Public
21 Employees Retirement System for the cancellation of such service
22 credit. The election shall be irrevocable and shall require the
23 Oklahoma Public Employees Retirement System to transfer all
24 accumulated employer and employee contributions made on behalf of or

1 by the person making such election to the Teachers' Retirement
2 System for such period of time. The Teachers' Retirement System
3 shall compute the employee contributions that would have been made
4 to the System by such employee if the contributions had been
5 computed pursuant to this section. In order to receive the full
6 amount of creditable service for the period of time on or after June
7 1, 2001, but not later than June 30, 2002, the employee shall be
8 required to pay any difference between the transferred employee
9 contributions and the amount computed by the Teachers' Retirement
10 System. The employee may make payment of any required amount in the
11 manner provided by and subject to the requirements of Section 17-
12 116.8 of this title. After payment of all required employee
13 contributions, the Teachers' Retirement System shall credit the
14 period of time represented by the transferred employee contributions
15 as creditable service within the meaning of Section 17-101 of this
16 title. After the transfer of the employee contributions, the
17 Oklahoma Public Employees Retirement System shall cancel any service
18 credit previously accumulated for the period of time represented by
19 such transferred employee contributions. Any person who makes the
20 election provided for by this paragraph, and who continues
21 employment with the Oklahoma Commission for Teacher Preparation on
22 or after July 1, 2002, shall continue to accrue service credit in
23 the Teachers' Retirement System of Oklahoma. The employer shall
24 make employer contributions according to the requirements of Section

1 17-108.1 of this title and shall provide for the deduction of
2 employee contributions as required by this section.

3 I. Any member who shall be absent from the teaching service
4 because of election or appointment as a local, state or national
5 education association officer, prior to January 1, 2011, shall be
6 allowed to retain his or her membership in the Teachers' Retirement
7 System upon payment of the contribution required of other members
8 and employers of said members as provided for in this section and
9 his or her service credits shall continue to be accumulated during
10 such absence. Provided, however, any one such absence shall not
11 exceed twelve (12) continuous years. No member who has less than
12 ten (10) years of contributory service on July 1, 1994, may make
13 this election after June 30, 1994. Members contributing to the
14 System on July 1, 1994, may continue to contribute under this
15 subsection until they have completed eight (8) years allowed by this
16 subsection. The member may file for retirement when otherwise
17 eligible for retirement as provided by Section 17-105 of this title.

18 J. A member may receive credit for those years of service
19 accumulated by the member while employed by an entity which is a
20 participating employer in the Oklahoma Firefighters Pension and
21 Retirement System, the Oklahoma Police Pension and Retirement
22 System, the Uniform Retirement System for Justices and Judges, the
23 Oklahoma Law Enforcement Retirement System, or the Oklahoma Public
24 Employees Retirement System, if the member is not receiving or

1 eligible to receive retirement credit or benefits from said service
2 in any other public retirement system. A member also may receive
3 credit for those years of service with the Department of Wildlife
4 Conservation or with an employer that is a participating employer
5 within one of the state retirement systems specifically referred to
6 in this section when at the time of such service by the member the
7 employer was not such a participating employer, if the member is not
8 receiving or eligible to receive retirement credit or benefits from
9 said service in any other public retirement system. To receive the
10 service credit provided in this subsection, the member shall pay the
11 amount determined by the Board of Trustees pursuant to Section 17-
12 116.8 of this title. For purposes of this subsection, creditable
13 service transferred from the Oklahoma Public Employees Retirement
14 System shall include service authorized under paragraph ~~(f)~~ 6 of
15 subsection ~~(2)~~ B of Section 913 of Title 74 of the Oklahoma Statutes
16 as amended from time to time. Members who retire prior to July 1,
17 1993, shall have their monthly benefit adjusted to include all
18 services accrued under paragraph ~~(f)~~ 6 of subsection ~~(2)~~ B of
19 Section 913 of Title 74 of the Oklahoma Statutes. Provided however,
20 any adjustment of existing retirement benefits caused by reason of
21 inclusion of such service authorized under paragraph ~~(f)~~ 6 of
22 subsection ~~(2)~~ B of Section 913 of Title 74 of the Oklahoma Statutes
23 shall not affect any retirement benefit paid prior to July 1, 1993.

24

1 K. 1. An active member of the Teachers' Retirement System of
2 Oklahoma may receive credit for those years of service accumulated
3 by the member while a member of the Oklahoma Public Employees
4 Retirement System if:

5 a. the member is an active member of the Teachers'
6 Retirement System of Oklahoma, and

7 b. the member provides notice to the Oklahoma Public
8 Employees Retirement System and the Teachers'
9 Retirement System of Oklahoma of the member's election
10 to transfer said service credit. The notice shall
11 include a list of the years to be transferred, and

12 c. the member is not receiving or eligible to receive
13 retirement credit or benefits from said service in any
14 other public retirement system, notwithstanding the
15 years of service sought to be transferred under this
16 subsection.

17 Members electing to take advantage of the transfer authorized by
18 this subsection who are receiving or eligible to receive retirement
19 credit or benefits from said service in any other public retirement
20 system shall have all service credit with the Oklahoma Public
21 Employees Retirement System canceled which is not transferred to the
22 Teachers' Retirement System of Oklahoma or used as a cash offset in
23 such a transfer pursuant to subparagraph d of paragraph 2 of this
24 subsection. Service credit transferred to the Teachers' Retirement

1 System of Oklahoma under this subsection shall also be canceled with
2 the Oklahoma Public Employees Retirement System.

3 2. For purposes of this subsection, the "sending system" shall
4 mean the Oklahoma Public Employees Retirement System. The
5 "receiving system" shall mean the Teachers' Retirement System of
6 Oklahoma.

7 a. Within thirty (30) days notification of an intent to
8 transfer is received by the sending system, the
9 sending system shall, according to its own rules and
10 regulations:

11 (1) for members who have accrued at least eight (8)
12 years of credited service with the sending
13 system, determine the present value of the
14 member's earned benefits attributable to the
15 years of service sought to be transferred,
16 discounted according to the member's age at the
17 time of transfer and computed as of the earliest
18 age at which the member would be able to retire.
19 Said computation shall assume an unreduced
20 benefit and be computed using interest and
21 mortality assumptions consistent with the
22 actuarial assumptions adopted by the Board of
23 Trustees for purposes of preparing the annual
24 actuarial evaluation, but shall not make any

1 projections regarding future salary. For
2 employees who have accrued at least eight (8)
3 years of credited service, the sending system
4 shall use the product of this calculation for
5 purposes of determining the transfer fee to be
6 paid by the employee under subparagraph c of this
7 paragraph so long as it is greater than the
8 product of the calculation in division (2) of
9 this subparagraph, and

- 10 (2) determine the sum of the employee and employer
11 contributions applicable to the years of service
12 sought to be transferred plus interest consistent
13 with the actuarial assumptions adopted by the
14 Board of Trustees for purposes of preparing the
15 annual actuarial evaluation. For all nonvested
16 members, and for members who have accrued at
17 least eight (8) years of credited service, if the
18 product of this calculation is greater than the
19 product of the calculation in division (1) of
20 this subparagraph, the sending system shall use
21 the product of this calculation for purposes of
22 determining the amount to be transferred by the
23 sending system under subparagraph c of this
24

1 paragraph and any transfer fee to be paid by the
2 member under subparagraph d of this paragraph.

3 b. Within thirty (30) days notification of an intent to
4 transfer is received by the receiving system, the
5 receiving system shall determine, according to the
6 system's own rules and regulations, the present value
7 of the member's incremental projected benefits
8 discounted according to the member's age at the time
9 of the transfer. Incremental projected benefits shall
10 be the difference between the projected benefit said
11 member would receive without transferring the service
12 credit and the projected benefit after transfer of
13 service credit computed as of the earliest age at
14 which the member would be able to retire. Said
15 computation shall assume an unreduced benefit and be
16 computed using interest, salary projections and
17 mortality assumptions consistent with the actuarial
18 assumptions adopted by the Board of Trustees for
19 purposes of preparing the annual actuarial evaluation.

20 c. The sending system shall, within sixty (60) days from
21 the date notification of an intent to transfer is
22 received by the sending system, transfer to the
23 receiving system the amount determined in subparagraph
24 a of this paragraph. Except if the cost as calculated

1 under subparagraph a of this paragraph is greater than
2 the actuarial value of the incremental benefit in the
3 receiving system, as established in subparagraph b of
4 this paragraph, the sending system shall send the
5 receiving system an amount equal to the actuarial
6 value of the incremental projected benefit in the
7 receiving system.

8 d. In order to receive the credit provided for in
9 paragraph 1 of this subsection, if the cost of the
10 actuarial value of the incremental benefit to the
11 receiving system is greater than the cost as
12 calculated under subparagraph a of this paragraph for
13 the same years of service to the sending system as
14 established in subparagraphs a and b of this
15 paragraph, the employee shall elect to:

- 16 (1) pay any difference to receive full credit for the
17 years sought to be transferred, or
18 (2) receive prorated service credit for only the
19 amount received from the Oklahoma Public
20 Employees Retirement System pursuant to this
21 subsection.

22 Such an election shall be made in writing, filed with
23 the System prior to receiving the credit provided for
24

1 in paragraph 1 of this subsection, and shall be
2 irrevocable.

3 3. Within sixty (60) days of successfully completing all of the
4 requirements for transfer under this subsection, the sending system
5 shall pay the receiving system any amount due under this subsection.
6 Within sixty (60) days of successfully completing all of the
7 requirements for transfer under this subsection, the member shall
8 pay the receiving system any amount due under this subsection. In
9 the event that the member is unable to pay the transfer fee provided
10 for in this subsection by the due date, the Board of Trustees of the
11 receiving system shall permit the member to amortize the transfer
12 fee over a period not to exceed sixty (60) months. Said payments
13 shall be made by payroll deductions unless the Board of Trustees
14 permits an alternate payment source. The amortization shall include
15 interest in an amount not to exceed the actuarially assumed interest
16 rate adopted by the Board of Trustees for investment earnings each
17 year. Any member who ceases to make payment, terminates, retires or
18 dies before completing the payments provided for in this section
19 shall receive prorated service credit for only those payments made,
20 unless the unpaid balance is paid by said member, his or her estate
21 or successor in interest within six (6) months after said member's
22 death, termination of employment or retirement, provided no
23 retirement benefits shall be payable until the unpaid balance is
24

1 paid, unless said member or beneficiary affirmatively waives the
2 additional six-month period in which to pay the unpaid balance.

3 4. Years of service transferred pursuant to this subsection
4 shall be used both in determining the member's retirement benefit
5 and in determining the years of service for retirement and/or
6 vesting purposes. Years of service rendered as a member of the
7 Oklahoma Public Employees Retirement System prior to July 1, 1992,
8 if any, shall be deemed to be years of service rendered as a member
9 of the Teachers' Retirement System of Oklahoma prior to July 1,
10 1992, and shall qualify such person as a member of the Teachers'
11 Retirement System of Oklahoma before July 1, 1992.

12 5. Notwithstanding the requirements of subsection (5) of
13 Section 917 of Title 74 of the Oklahoma Statutes, members electing
14 to take advantage of the transfer authorized by this subsection who
15 have withdrawn their contributions from the sending system shall
16 remit to the sending system the amount of the accumulated
17 contributions the member has withdrawn plus simple interest of ten
18 percent (10%) per annum prior to making said election or the
19 election shall be deemed invalid and the transfer shall be canceled.
20 If such an election is deemed invalid and the transfer is canceled,
21 the accumulated contribution remitted to the sending system by the
22 member who originally withdrew their contributions shall be returned
23 to the member. The member's rights and obligations regarding any
24 service credit reestablished in the sending system due to a failure

1 to satisfy the requirements of this subsection shall be determined
2 by the sending system in accordance with Section 901 et seq. of
3 Title 74 of the Oklahoma Statutes.

4 6. If any member fails for any reason to satisfy the
5 requirements of this subsection, the election to transfer service
6 credit shall be void and of no effect, and any service credited as a
7 result of this transfer shall be canceled. If such service is
8 canceled, the years of canceled service credit which were
9 unsuccessfully transferred to the receiving system from the sending
10 system shall be reestablished in the sending system. The member's
11 rights and obligations regarding any service credit reestablished in
12 the sending system due to a failure to satisfy the requirements of
13 this subsection shall be determined by the sending system in
14 accordance with Section 901 et seq. of Title 74 of the Oklahoma
15 Statutes.

16 7. The Board of Trustees shall promulgate such rules as are
17 necessary to implement the provisions of this subsection.

18 L. Any member whose regular annual compensation was not
19 determined as provided for by law may pay the member contribution
20 required pursuant to subsection B of this section on such amount not
21 included in the member's regular annual compensation and receive
22 credit for such amount in the calculation of the member's benefit.
23 The employees must pay the employer contributions required pursuant
24 to Section 17-108.1 of this title. Interest at the rate of ten

1 percent (10%) per annum shall be charged to both employee and
2 employer contributions. Provided that the employing district may
3 pay all or any portion of the contributions and interest the member
4 is required to pay. Any payment by the employing district for a
5 prior year obligation shall be considered a current obligation of
6 the employer.

7 M. Any active member who elected during the 1978-79 school year
8 to pay the difference between five percent (5%) on actual salary not
9 exceeding Ten Thousand Dollars (\$10,000.00) and six percent (6%) on
10 actual salary not exceeding Fifteen Thousand Dollars (\$15,000.00)
11 shall receive credit for one (1) year of credited service upon
12 receipt and approval of a proper request by the Board of Trustees.

13 N. Effective July 1, 1988, any member who is employed by the
14 Governor, the State Senate, the House of Representatives or the
15 Legislative Service Bureau shall be allowed to elect to retain
16 membership in the Retirement System upon payment of the accrued and
17 current member contributions and employer contributions as provided
18 in subsection B of this section and Section 17-108.1 of this title.
19 Such contributions may be paid on behalf of the member by the
20 employing entity. Upon payment of such contributions, service
21 credits shall continue to be accumulated during such employment.
22 Accrued contributions shall be paid to the Retirement System by
23 August 1, 1989. Current contributions shall be paid to the

24

1 Retirement System by the tenth of the following month beginning with
2 the month of July 1989.

3 O. Notwithstanding any requirements of this title to restrict
4 the payment of service purchases, the Board of Trustees shall
5 promulgate such rules as necessary to allow active members of the
6 System to make installment payments for the redeposit of withdrawn
7 accounts or other payments due under the provisions of this title.
8 The rules shall permit the member to amortize the balance due over a
9 period not to exceed sixty (60) months, and shall include interest
10 consistent with the actuarial assumptions adopted by the Board of
11 Trustees for purposes of preparing the annual actuarial evaluation.
12 Further, the rules shall provide that all payments must be completed
13 prior to the effective retirement date of the member.

14 P. 1. A member of the Oklahoma Public Employees Retirement
15 System who becomes a member of the Teachers' Retirement System of
16 Oklahoma because the member has become employed by an entity or
17 institution within The Oklahoma State System of Higher Education,
18 State Board of Education, State Board of Career and Technology
19 Education, Oklahoma Department of Career and Technology Education,
20 Oklahoma School of Science and Mathematics, Oklahoma Center for the
21 Advancement of Science and Technology, State Department of
22 Rehabilitation Services, Oklahoma State Regents for Higher
23 Education, Department of Corrections, State Department of Education,
24 Oklahoma Board of Private Vocational Schools, Board of Regents of

1 Oklahoma Colleges, Oklahoma Student Loan Authority, or the Teachers'
2 Retirement System of Oklahoma, may elect to receive credit in the
3 Teachers' Retirement System of Oklahoma for those years of service
4 accumulated by the member in the Oklahoma Public Employees
5 Retirement System pursuant to this subsection. A member shall be
6 eligible to elect to receive credit for such years of service if:

7 a. the member is an active member of the Teachers'
8 Retirement System of Oklahoma,

9 b. the member provides notice to the Teachers' Retirement
10 System of Oklahoma and the Oklahoma Public Employees
11 Retirement System of the member's election to transfer
12 such retirement credit. The notice shall include a
13 list of the years to be transferred, and

14 c. the member is not receiving or eligible to receive
15 retirement credit or benefits from such service in any
16 other public retirement system, notwithstanding the
17 years of service sought to be transferred under this
18 subsection.

19 Members electing to take advantage of the transfer authorized by
20 this subsection shall have all service credit with the Oklahoma
21 Public Employees Retirement System canceled which is transferred to
22 the Teachers' Retirement System of Oklahoma.

23 2. For purposes of this subsection, the "sending system" shall
24 mean the Oklahoma Public Employees Retirement System. The

1 "receiving system" shall mean the Teachers' Retirement System of
2 Oklahoma. Within thirty (30) days after notification of an intent
3 to transfer is received by the sending system, the sending system
4 shall, according to its own rules, send to the receiving system all
5 employer and employee contributions made on behalf of the member
6 which were made to the sending system plus an additional amount of
7 earnings based on the actuarial assumed rate of the sending system.
8 Upon receipt of these contributions by the receiving system, the
9 receiving system shall give credit to the transferring member in an
10 amount equal to the years of service accrued in the sending system.

11 3. If the transferring member's normal retirement date
12 calculation is based upon the sum of the member's age and number of
13 years of credited service totaling eighty (80) in the sending
14 system, then the member shall retain such calculation in the
15 receiving system.

16 4. The Board of Trustees shall promulgate such rules as are
17 necessary to implement the provisions of this subsection.

18 Q. A former member of the Teachers' Retirement System of
19 Oklahoma who withdrew his or her contributions from the System prior
20 to January 1, 1983, and who had at least ten (10) years of service
21 in the System and purchased that service in the Oklahoma Public
22 Employees Retirement System, may elect to revoke that purchase from
23 the Oklahoma Public Employees Retirement System and to repay the
24 withdrawn contributions to the System in order to be eligible, once

1 such member reaches the normal retirement age, to receive a
2 retirement benefit that is based upon years of service and
3 compensation at the time such member terminated employment. In
4 addition, such former member may elect to transfer service credit
5 accrued in the Oklahoma Public Employees Retirement System to the
6 Teachers' Retirement System of Oklahoma pursuant to subsection K of
7 this section. The election, pursuant to this subsection, shall be
8 made prior to September 1, 2000. The election and the repayment
9 shall be made according to rules promulgated by the Board.

10 SECTION 3. Section 1 of this act shall become effective October
11 1, 2019.

12 SECTION 4. Section 2 of this act shall become effective
13 November 1, 2019.

14 Passed the House of Representatives the 7th day of March, 2019.

15
16 _____
17 Presiding Officer of the House
18 of Representatives

19 Passed the Senate the ___ day of _____, 2019.

20
21 _____
22 Presiding Officer of the Senate
23
24