

## STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

HOUSE BILL 2528

By: Lepak

AS INTRODUCED

An Act relating to retirement; amending 70 O.S. 2021, Sections 17-101, as amended by Section 2, Chapter 121, O.S.L. 2022, 17-103, 17-105, 17-105.1, 17-106.3, 17-107, 17-108, 17-116.2, and 17-116.10 (70 O.S. Supp. 2022, Section 17-101), which relate to the Teachers' Retirement System of Oklahoma; updating references; deleting terms; modifying terms; modifying how members shall make proper application for retirement; providing membership details; providing procedure at joint annuitant's death; modifying retirement options; releasing System of liability under certain circumstances; modifying how certain expenses are to be paid; specifying when a member must be physically present to complete terms of employment contract; modifying earnings limits; repealing 70 O.S. 2021, Sections 17-104 and 17-114.2, which relate to the Teachers' Retirement System of Oklahoma; and providing an effective date.

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

SECTION 1. AMENDATORY 70 O.S. 2021, Section 17-101, as amended by Section 2, Chapter 121, O.S.L. 2022 (70 O.S. Supp. 2022, Section 17-101), is amended to read as follows:

Section 17-101. The following words and phrases as used in Section 17-101 et seq. of this title, unless a different meaning is clearly required by the context, shall have the following meanings:

1 (1) "Retirement system" shall mean the Teachers' Retirement  
2 System of Oklahoma, as defined in Section 17-102 of this title.

3 (2) "Public school" shall mean a school district, a state  
4 college or university, the State Board of Education, the State Board  
5 of Career and Technology Education, and any other state educational  
6 entity conducted within the state supported wholly or partly by  
7 public funds and operating under the authority and supervision of a  
8 legally constituted board or agency having authority and  
9 responsibility for any function of public education. Public school  
10 shall also mean a tuition free, nonprofit alternative school of  
11 choice that provides education, therapeutic counseling, and outreach  
12 programs which is aligned with a school district and which receives  
13 grant funds from governmental sources.

14 (3) "Classified personnel" shall mean any teacher, principal,  
15 superintendent, supervisor, administrator, librarian, certified or  
16 registered nurse, college professor, or college president whose  
17 salary is paid wholly or in part from public funds. An employee of  
18 any state department, board, board of regents, or board of trustees,  
19 who is in a supervisory or an administrative position, the function  
20 of which is primarily devoted to public education, shall be  
21 considered classified personnel under the meaning of Section 17-101  
22 et seq. of this title, at the discretion of the Board of Trustees of  
23 the Teachers' Retirement System. The term "teacher" shall also  
24 include instructors and counselors employed by the Department of

1 Corrections and holding valid teaching certificates issued by the  
2 State Department of Education. Provided, that a person employed by  
3 the Department of Corrections as an instructor or counselor shall  
4 have been actively engaged in the teaching profession for a period  
5 of not less than three (3) years prior to employment to be eligible  
6 to participate in the Teachers' Retirement System of Oklahoma. The  
7 Department of Corrections shall contribute the employer's share to  
8 the Teachers' Retirement System of Oklahoma.

9 (4) "Nonclassified optional personnel" shall include persons  
10 hired as adjunct teachers pursuant to subsection G of Section 6-  
11 122.3 of this title, cooks, janitors, maintenance personnel not in a  
12 supervisory capacity, bus drivers, noncertified or nonregistered  
13 nurses, noncertified librarians, and clerical employees of the  
14 public schools, state colleges, universities, or any state  
15 department, board, board of regents, or board of trustees, the  
16 functions of which are primarily devoted to public education and  
17 whose salaries are paid wholly or in part from public funds.

18 (5) "Employer" shall mean the state and any of its designated  
19 agents or agencies with responsibility and authority for public  
20 education, such as boards of education of elementary and independent  
21 school districts, boards of regents, boards of control, or any other  
22 agency of and within the state by which a person may be employed for  
23 service in public education. "Employer" shall also mean the board  
24 of directors of a tuition free, nonprofit alternative school of

1 choice that provides education, therapeutic counseling, and outreach  
2 programs which is aligned with a school district and which receives  
3 grant funds from governmental sources.

4 (6) "Member" shall mean any teacher or other employee included  
5 in the membership of the system as provided in Section 17-103 of  
6 this title.

7 (7) "Board of Trustees" shall mean the board provided for in  
8 Section 17-106 of this title to administer the retirement system.

9 (8) ~~"Service" shall mean service as a classified or~~  
10 ~~nonclassified optional employee in the public school system, or any~~  
11 ~~other service devoted primarily to public education in the state.~~

12 ~~(9) "Prior service" shall mean service rendered prior to July~~  
13 ~~1, 1943.~~

14 ~~(10) "Membership service" shall mean service as a member of the~~  
15 ~~classified or nonclassified personnel as defined in paragraphs (3)~~  
16 ~~and (4) of this section.~~

17 ~~(11) (9) "Creditable service" shall mean membership service~~  
18 ~~plus any prior other service authorized under this title.~~

19 ~~(12) (10) "Annuitant" shall mean any person in receipt of a~~  
20 ~~retirement allowance as provided in this title an annuity as defined~~  
21 ~~in paragraph (13) of this section.~~

22 ~~(13) (11) "Accumulated contributions" shall mean the sum of all~~  
23 ~~amounts deducted from the compensation of a member and credited to~~  
24

1 ~~his~~ the member's individual account in the Teachers' Savings Fund,  
2 together with interest as of June 30, 1968.

3 ~~(14) "Earnable compensation" shall mean the full rate of the~~  
4 ~~compensation that would be payable to a member if he worked the full~~  
5 ~~normal working time.~~

6 ~~(15)~~ (12) "Average salary":

7 (a) for those members who joined the System prior to July  
8 1, 1992, shall mean the average of the salaries for  
9 the three (3) years on which the highest contributions  
10 to the Teachers' Retirement System ~~was~~ were paid not  
11 to exceed the maximum contribution level specified in  
12 Section 17-116.2 of this title or the maximum  
13 compensation level specified in subsection (28) of  
14 this section. Provided, no member shall retire with  
15 an average salary in excess of Twenty-five Thousand  
16 Dollars (\$25,000.00) unless the member has made the  
17 required election and paid the required contributions  
18 on such salary in excess of Twenty-five Thousand  
19 Dollars (\$25,000.00), or unless an eligible member  
20 fulfills the requirements of Section 17-116.2C of this  
21 title in order to have pre-cap removal service  
22 included in the retirement benefit computation of the  
23 member using the regular annual compensation of the  
24 member for any pre-cap removal year of service so

1 included subject to the maximum average salary amount,  
2 and

3 (b) for those members who join the System after June 30,  
4 1992, shall mean the average of the salaries for five  
5 (5) consecutive years on which the highest  
6 contribution to the Teachers' Retirement System was  
7 paid. Only salary on which required contributions  
8 have been made may be used in computing average  
9 salary.

10 ~~(16)~~ (13) "Annuity" shall mean ~~payments for life derived from~~  
11 ~~the "accumulated contributions" of a member. All annuities shall be~~  
12 ~~payable in equal monthly installments~~ a lifetime benefit payable in  
13 fixed monthly installments.

14 ~~(17)~~ "Pension" shall mean ~~payments for life derived from money~~  
15 ~~provided by the employer. All pensions shall be payable in equal~~  
16 ~~monthly installments.~~

17 ~~(18)~~ (14) "Monthly retirement allowance" is one-twelfth (1/12)  
18 of the annual retirement allowance which shall be payable monthly.

19 ~~(19)~~ (15) "Retirement Benefit Fund" shall mean the fund from  
20 which all retirement benefits shall be paid based on such mortality  
21 tables as shall be adopted by the Board of Trustees.

22 ~~(20)~~ (16) "Actuary" shall mean a person or firm especially  
23 skilled through training and experience in financial calculation  
24 respecting the expectancy and duration of life.

1       ~~(21)~~ (17) "Actuarial equivalent" shall mean a benefit of equal  
2 value when computed upon the basis of such mortality and other  
3 tables as shall be adopted by the Board of Trustees.

4       ~~(22)~~ (18) The masculine pronoun, whenever used, shall include  
5 the feminine.

6       ~~(23)~~ (19) "Actuarially determined cost" shall mean the single  
7 sum which is actuarially equivalent in value to a specified pension  
8 amount as determined on the basis of mortality and interest  
9 assumptions adopted by the Board of Trustees.

10       ~~(24)~~ (20) "Normal retirement age" means the earliest date upon  
11 which:

12           (a) a member reaches the age sixty-two (62) with respect  
13           to a member whose first creditable service occurs  
14           prior to November 1, 2011, unless the member reaches a  
15           normal retirement date pursuant to subparagraph (c) or  
16           subparagraph (d) of this paragraph,

17           (b) a member reaches the age of sixty-five (65) with  
18           respect to a member whose first creditable service  
19           occurs on or after November 1, 2011, or with respect  
20           to a member whose first creditable service occurs on  
21           or after November 1, 2011, reaches a normal retirement  
22           date pursuant to subparagraph (d) of this paragraph  
23           having attained a minimum age of sixty (60) years,

24

1 (c) the age at which the sum of a member's age and number  
2 of years of creditable service total eighty (80), with  
3 respect to a member whose first creditable service  
4 occurred prior to July 1, 1992, and who does not reach  
5 a normal retirement age pursuant to subparagraph (a)  
6 of this paragraph, or

7 (d) the age at which the sum of a member's age and number  
8 of years of creditable service total ninety (90), with  
9 respect to a member whose first creditable service  
10 occurred on or after July 1, 1992, but prior to  
11 November 1, 2011, if the member does not reach a  
12 normal retirement age pursuant to subparagraph (a) of  
13 this paragraph.

14 ~~(25)~~ (21) "Regular annual compensation" means salary plus  
15 fringe benefits, excluding the flexible benefit allowance pursuant  
16 to Section 26-105 of this title ~~and for purposes pursuant to Section~~  
17 ~~17-101 et seq. of this title.~~ For purposes of this definition,  
18 regular annual compensation shall include:

19 (a) salary which accrues on a regular basis in proportion  
20 to the service performed including payments for staff  
21 development,

22 (b) amounts that would otherwise qualify as salary under  
23 paragraph (a) of this subsection but are not received  
24 directly by the member pursuant to a good faith,

1 voluntary written salary reduction agreement in order  
2 to finance payments to a deferred compensation or tax-  
3 sheltered annuity program or to finance benefit  
4 options under a cafeteria plan qualifying under the  
5 United States Internal Revenue Code, 26 U.S.C.,  
6 Section 101 et seq.,

7 (c) group health and disability insurance, group term life  
8 insurance, annuities, and pension plans, provided on a  
9 periodic basis to all qualified employees of the  
10 employer, which qualify as fringe benefits under the  
11 United States Internal Revenue Code, and

12 (d) excluded from regular annual compensation are:

- 13 1. expense reimbursement payments,
- 14 2. office, vehicle, housing, or other maintenance  
15 allowances,
- 16 3. the flexible benefit allowance provided pursuant  
17 to Section 26-105 of this title,
- 18 4. payment for unused vacation and sick leave,
- 19 5. any payment made for reason of termination or  
20 retirement not specifically provided for in  
21 subparagraphs (a) through (c) of this subsection,
- 22 6. maintenance or other nonmonetary compensation,
- 23 7. payment received as an independent contractor or  
24 consultant, pursuant to a lawful contract which

1 complies with the requirements of subsection B of  
2 Section 6-101.2 of this title,

3 8. any benefit payments not made pursuant to a valid  
4 employment agreement,

5 9. compensation for clinical related activity  
6 performed in the University of Oklahoma Health  
7 Sciences Center (OUHSC) Professional Practice  
8 Plan or Oklahoma State University Center for  
9 Health Sciences (OSU-CHS) Professional Practice  
10 Plan, and

11 10. any other compensation not described in  
12 subparagraphs (a) through (c) of this subsection.

13 ~~(26) "Teacher" means classified personnel and nonclassified  
14 optional personnel.~~

15 ~~(27)~~ (22) "Active classroom teacher" means a person employed by  
16 a school district to teach students specifically identified classes  
17 for specifically identified subjects during the course of a  
18 semester, and who holds a valid certificate or license issued by and  
19 in accordance with the rules and regulations of the State Board of  
20 Education.

21 ~~(28)~~ (23) "Maximum compensation level" shall, except as  
22 otherwise authorized pursuant to the provisions of Section 17-116.2C  
23 of this title, mean:

- 1 (a) Twenty-five Thousand Dollars (\$25,000.00) for  
2 creditable service authorized and performed prior to  
3 July 1, 1995, for members not electing a higher  
4 maximum compensation level,
- 5 (b) Forty Thousand Dollars (\$40,000.00) for creditable  
6 service authorized and performed prior to July 1,  
7 1995, for members electing a maximum compensation  
8 level in excess of Twenty-five Thousand Dollars  
9 (\$25,000.00),
- 10 (c) Twenty-seven Thousand Five Hundred Dollars  
11 (\$27,500.00) for members who, as of June 30, 1995, had  
12 elected to have a maximum compensation level not in  
13 excess of Twenty-five Thousand Dollars (\$25,000.00),  
14 and who were employed by an entity or institution  
15 within The Oklahoma State System of Higher Education  
16 for creditable service authorized and performed on or  
17 after July 1, 1995, but not later than June 30, 1996,  
18 if such member does not elect a higher maximum  
19 compensation level for this period as authorized by  
20 Section 17-116.2A of this title,
- 21 (d) Thirty-two Thousand Five Hundred Dollars (\$32,500.00)  
22 for members employed by a comprehensive university if  
23 the member meets the requirements imposed by Section  
24 17-116.2A of this title and the member elects to

1 impose a higher maximum compensation level for service  
2 performed on or after July 1, 1995, but not later than  
3 June 30, 1996,

4 (e) Forty-four Thousand Dollars (\$44,000.00) for members  
5 who, as of June 30, 1995, had elected to have a  
6 maximum compensation level in excess of Twenty-five  
7 Thousand Dollars (\$25,000.00), and who were employed  
8 by an entity or institution within The Oklahoma State  
9 System of Higher Education for creditable service  
10 authorized and performed on or after July 1, 1995, but  
11 not later than June 30, 1996, if such member does not  
12 elect a higher maximum compensation level for this  
13 period as authorized by Section 17-116.2A of this  
14 title,

15 (f) Forty-nine Thousand Dollars (\$49,000.00) for members  
16 employed by a comprehensive university if the member  
17 meets the requirements imposed by Section 17-116.2A of  
18 this title and the member elects to impose a higher  
19 maximum compensation level for service performed on or  
20 after July 1, 1995, but not later than June 30, 1996,

21 (g) the following amounts for creditable service  
22 authorized and performed by members employed by a  
23 comprehensive university, based upon the election of  
24 the member in effect as of June 30, 1995:

1. for members who elected a maximum compensation level not in excess of Twenty-five Thousand Dollars (\$25,000.00):

(i) Thirty-two Thousand Five Hundred Dollars (\$32,500.00) for service authorized and performed on or after July 1, 1996, but not later than June 30, 1997,

(ii) Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) for service authorized and performed on or after July 1, 1997, but not later than June 30, 1998,

(iii) Forty-two Thousand Five Hundred Dollars (\$42,500.00) for service authorized and performed on or after July 1, 1998, but not later than June 30, 2000,

(iv) Forty-seven Thousand Five Hundred Dollars (\$47,500.00) for service authorized and performed on or after July 1, 2000, but not later than June 30, 2001,

(v) Fifty-two Thousand Five Hundred Dollars (\$52,500.00) for service authorized and performed on or after July 1, 2001, but not later than June 30, 2002,

1 (vi) Fifty-seven Thousand Five Hundred Dollars  
2 (\$57,500.00) for service authorized and  
3 performed on or after July 1, 2002, but not  
4 later than June 30, 2003,

5 (vii) Sixty-two Thousand Five Hundred Dollars  
6 (\$62,500.00) for service authorized and  
7 performed on or after July 1, 2003, but not  
8 later than June 30, 2004,

9 (viii) Sixty-seven Thousand Five Hundred Dollars  
10 (\$67,500.00) for service authorized and  
11 performed on or after July 1, 2004, but not  
12 later than June 30, 2005,

13 (ix) Seventy-two Thousand Five Hundred Dollars  
14 (\$72,500.00) for service authorized and  
15 performed on or after July 1, 2005, but not  
16 later than June 30, 2006,

17 (x) Seventy-seven Thousand Five Hundred Dollars  
18 (\$77,500.00) for service authorized and  
19 performed on or after July 1, 2006, but not  
20 later than June 30, 2007, and

21 (xi) the full amount of regular annual  
22 compensation for service authorized and  
23 performed on or after July 1, 2007, and  
24

1           2.    for members who elected a maximum compensation  
2                    level in excess of Twenty-five Thousand Dollars  
3                    (\$25,000.00):

4                    (i)   Forty-nine Thousand Dollars (\$49,000.00) for  
5                            service authorized and performed on or after  
6                            July 1, 1996, but not later than June 30,  
7                            1997,

8                    (ii)   Fifty-four Thousand Dollars (\$54,000.00) for  
9                            service authorized and performed on or after  
10                            July 1, 1997, but not later than June 30,  
11                            1998,

12                   (iii)   Fifty-nine Thousand Dollars (\$59,000.00) for  
13                            service authorized and performed on or after  
14                            July 1, 1998, but not later than June 30,  
15                            2000,

16                   (iv)   Sixty-four Thousand Dollars (\$64,000.00) for  
17                            service authorized and performed on or after  
18                            July 1, 2000, but not later than June 30,  
19                            2001,

20                   (v)   Sixty-nine Thousand Dollars (\$69,000.00) for  
21                            service authorized and performed on or after  
22                            July 1, 2001, but not later than June 30,  
23                            2002,

24

1 (vi) Seventy-four Thousand Dollars (\$74,000.00)  
2 for service authorized and performed on or  
3 after July 1, 2002, but not later than June  
4 30, 2003,

5 (vii) Seventy-nine Thousand Dollars (\$79,000.00)  
6 for service authorized and performed on or  
7 after July 1, 2003, but not later than June  
8 30, 2004,

9 (viii) Eighty-four Thousand Dollars (\$84,000.00)  
10 for service authorized and performed on or  
11 after July 1, 2004, but not later than June  
12 30, 2005,

13 (ix) Eighty-nine Thousand Dollars (\$89,000.00)  
14 for service authorized and performed on or  
15 after July 1, 2005, but not later than June  
16 30, 2006,

17 (x) Ninety-four Thousand Dollars (\$94,000.00)  
18 for service authorized and performed on or  
19 after July 1, 2006, but not later than June  
20 30, 2007, and

21 (xi) the full amount of regular annual  
22 compensation for service authorized and  
23 performed on or after July 1, 2007, and

24 (h) the full amount of regular annual compensation of:

- 1           1.    a member of the retirement system not employed by  
2                    an entity or institution within The Oklahoma  
3                    State System of Higher Education for all  
4                    creditable service authorized and performed on or  
5                    after July 1, 1995,
- 6           2.    a member of the retirement system first employed  
7                    on or after July 1, 1995, by an entity or  
8                    institution within The Oklahoma State System of  
9                    Higher Education for all creditable service  
10                   authorized and performed on or after July 1,  
11                   1995, but not later than June 30, 1996,
- 12          3.    a member of the retirement system employed by an  
13                    entity or institution within The Oklahoma State  
14                    System of Higher Education, other than a  
15                    comprehensive university, if the member elects to  
16                    impose a higher maximum compensation level for  
17                    service performed on or after July 1, 1995, but  
18                    not later than June 30, 1996, pursuant to  
19                    subsection B of Section 17-116.2A of this title,
- 20          4.    a member of the retirement system who is first  
21                    employed on or after July 1, 1996, by any entity  
22                    or institution within The Oklahoma State System  
23                    of Higher Education including a comprehensive  
24

1 university, for creditable service authorized and  
 2 performed on or after July 1, 1996,

3 5. a member of the retirement system who, as of July  
 4 1, 1996, is subject to a maximum compensation  
 5 level pursuant to paragraph (g) of this  
 6 subsection if the member terminates service with  
 7 a comprehensive university and is subsequently  
 8 reemployed by a comprehensive university,

9 6. a member of the retirement system employed by a  
 10 comprehensive university for all service  
 11 performed on and after July 1, 2007, or

12 7. an eligible member of the retirement system who  
 13 fulfills the requirements of Section 17-116.2C of  
 14 this title with respect to pre-cap removal  
 15 service included in the retirement benefit  
 16 computation of the member at the average salary  
 17 of the member subject to the maximum average  
 18 salary amount.

19 ~~(29)~~ (24) "Comprehensive university" shall mean:

20 (a) the University of Oklahoma and all of its constituent  
 21 agencies including the University of Oklahoma Health  
 22 Sciences Center, the University of Oklahoma Law  
 23 Center, and the Geological Survey, and  
 24

1 (b) Oklahoma State University and all of its constituent  
2 agencies including the Oklahoma State University  
3 Agricultural Experiment Station, the Oklahoma State  
4 University Agricultural Extension Division, the  
5 Oklahoma State University College of Veterinary  
6 Medicine, the Oklahoma State University Center for  
7 Health Sciences, the Technical Branch at Oklahoma  
8 City, the Oklahoma State University Institute of  
9 Technology-Okmulgee, and Oklahoma State University-  
10 Tulsa.

11 ~~(30) "Retirement contract" means the document prepared by the~~  
12 ~~Teachers' Retirement System upon member request, which incorporates~~  
13 ~~member's selected retirement option, and which must be executed and~~  
14 ~~submitted to the Teachers' Retirement System no less than thirty~~  
15 ~~(30) days prior to the projected retirement date.~~

16 SECTION 2. AMENDATORY 70 O.S. 2021, Section 17-103, is  
17 amended to read as follows:

18 Section 17-103. Except as provided in the Alternate Retirement  
19 Plan for Comprehensive Universities Act, the membership of the  
20 retirement system shall consist of the following:

21 A. All classified personnel shall become members of the  
22 retirement system as a condition of their employment.

23 B. For the period from August 2, 1969, to ~~the effective date of~~  
24 ~~this act~~ June 30, 2021, all full-time nonclassified optional

1 personnel regularly employed for more than one (1) year may join the  
2 Teachers' Retirement System of Oklahoma subject to the rules and  
3 regulations adopted pursuant to the Teachers' Retirement System. On  
4 or after ~~the effective date of this act~~ July 1, 2021, all  
5 nonclassified optional personnel regularly employed for twenty (20)  
6 hours or more per week may join the System upon hiring or  
7 eligibility, subject to the provisions of subsection C of this  
8 section and the rules and regulations adopted by the System pursuant  
9 to this act.

10 C. 1. A nonclassified optional employee shall have thirty (30)  
11 days from the initial date of hire or eligibility to make a one-time  
12 irrevocable ~~written~~ election to opt out of participation in the  
13 System, in a manner required by the Board of Trustees. If an  
14 eligible employee fails to make an election within the thirty-day  
15 period, the eligible employee shall be deemed to participate in the  
16 System.

17 2. If an eligible employee elects to opt out of participation  
18 in the System, the employee shall not make any required employee  
19 contributions to the System and ~~his or her~~ the employee's employer  
20 shall not make any required employer contributions to the System.

21 3. If an eligible nonclassified optional employee ~~elects to~~  
22 participate does not timely opt out of participation in the System,  
23 the employee shall make employee contributions to the System  
24 pursuant to Section 17-116.2 of this title and the employer shall

1 make employer contributions to the System pursuant to Section 17-  
2 108.1 of this title. Nothing in this paragraph shall be construed  
3 to prohibit the employer from making the contribution of the  
4 employee to the System on behalf of the employee.

5 4. A nonclassified optional employee who opts out of  
6 participation in the System shall be ineligible for future  
7 participation in the System; provided, however, that if the employee  
8 is hired for a classified position, he or she shall become a member  
9 of the System pursuant to subsection A of this section but shall not  
10 be eligible for prior service credit for service performed while  
11 employed in a nonclassified position during which the employee opted  
12 out of participation in the System.

13 ~~5. Any nonclassified optional employee employed on the~~  
14 ~~effective date of this act shall make an irrevocable written~~  
15 ~~election to participate in or opt out of the System pursuant to~~  
16 ~~paragraph 1 of this subsection. If the employee fails to make an~~  
17 ~~election within thirty (30) days from the effective date of this~~  
18 ~~act, the employee shall be deemed to participate in the System,~~  
19 ~~subject to the provisions of paragraph 3 of this subsection.~~

20 D. The Board of Trustees may, in its discretion, deny the right  
21 to become members to any class of members whose compensation is only  
22 partly paid by the state, or who is serving on a temporary or other  
23 than per annum basis, and it also may, in its discretion, make  
24 ~~optional with~~ the individual entrance into the retirement system for

1 members in any such class ~~their individual entrance into the~~  
2 ~~retirement system~~ optional.

3 E. Should any non-vested member, ~~with less than ten (10) years~~  
4 ~~of teaching service in Oklahoma,~~ in any period of six (6)  
5 consecutive years after becoming a member be absent from service  
6 more than five (5) years, withdraw his or her contributions, retire  
7 or die, he or she shall thereupon cease to be a member. The  
8 provisions of this paragraph shall not apply to any member of the  
9 Teachers' Retirement System who has been a member of such classes of  
10 military services as may be approved by the Board of Trustees, until  
11 a period of one and one-half (1 1/2) years from date of termination  
12 of such service shall have elapsed.

13 F. Effective November 1, 2019, a retired member of the  
14 Teachers' Retirement System who becomes employed by the State  
15 Department of Education for the first time on or after November 1,  
16 2019, shall have the option to remain a member of the Teachers'  
17 Retirement System subject to any applicable limitations placed on  
18 retired members returning to work or may choose to participate in  
19 the Oklahoma Public Employees Retirement System as an active member.

20 SECTION 3. AMENDATORY 70 O.S. 2021, Section 17-105, is  
21 amended to read as follows:

22 Section 17-105. (1) (a) Any member who has attained age  
23 fifty-five (55) or who has completed thirty (30) years of creditable  
24 service, as defined in Section 17-101 of this title, or for any

1 person who initially became a member prior to July 1, 1992,  
2 regardless of whether there were breaks in service after July 1,  
3 1992, whose age and number of years of creditable service total  
4 eighty (80) may be retired upon proper application for retirement ~~on~~  
5 ~~forms~~ as established by the System ~~and executing a retirement~~  
6 ~~contract~~. Such a retirement date will also apply to any person who  
7 became a member of the sending system as defined in this act, prior  
8 to July 1, 1992, regardless of whether there were breaks in service  
9 after July 1, 1992. Any person who became a member after June 30,  
10 1992, but prior to November 1, 2011, whose age and number of years  
11 of creditable service total ninety (90) may be retired upon proper  
12 application for retirement ~~and executing a retirement contract~~ as  
13 established by the System. Any person who becomes a member on or  
14 after November 1, 2011, who attains the age of sixty-five (65) years  
15 or who reaches a normal retirement date pursuant to subparagraph (d)  
16 of paragraph (24) of Section 17-101 of this title having attained a  
17 minimum age of sixty (60) years may be retired upon proper  
18 application for retirement ~~and executing a retirement contract~~ as  
19 established by the System. The application shall be filed ~~on the~~  
20 ~~form provided by the Board of Trustees for this purpose~~ with the  
21 System, not less than sixty (60) days before the date of retirement,  
22 provided that the Executive Director may waive the sixty-day  
23 deadline for good cause shown as defined by the Board.

24

1           1.    The employer shall provide the System with the  
2           following information for a retiring member, no later  
3           than the fifteenth day of the month of retirement:  
4           last day physically on the job; last day on payroll;  
5           any regular compensation not already reported to the  
6           System; and final unused sick leave balance.

7           2.    Failure to submit this information by the deadline, or  
8           errors in submitted information that result in a  
9           disqualification of retirement eligibility shall be  
10          the responsibility of the employer. In cases where  
11          the error results in disqualification of retirement  
12          eligibility, it is the employer's responsibility to  
13          reemploy the member, or retain the member on the  
14          payroll, for the time period required to reach  
15          eligibility, not exceeding two (2) months.

16          (b)   An individual who becomes a member of the Teachers'  
17          Retirement System after July 1, 1967, through October 31, 2017,  
18          shall be employed by the public schools, state colleges or  
19          universities of Oklahoma for a minimum of five (5) years and be a  
20          contributing member of the Teachers' Retirement System of Oklahoma  
21          for a minimum of five (5) years to qualify for monthly retirement  
22          benefits from the Teachers' Retirement System of Oklahoma.

23          An individual who becomes a member of the Teachers' Retirement  
24          System on or after November 1, 2017, shall be employed by the public

1 schools, state colleges or universities of Oklahoma for a minimum of  
2 seven (7) years and be a contributing member of the Teachers'  
3 Retirement System of Oklahoma for a minimum of seven (7) years to  
4 qualify for monthly retirement benefits from the Teachers'  
5 Retirement System of Oklahoma.

6 (c) ~~Any member~~ Individuals becoming members after July 1, 1967,  
7 to October 31, 2017, with five (5) or more years of Oklahoma  
8 teaching service and whose accumulated contributions during such  
9 period have not been withdrawn shall be given an indefinite  
10 extension of membership beginning with the sixth year following the  
11 member's last contributing membership.

12 Individuals becoming members on or after November 1, 2017, with  
13 seven (7) or more years of Oklahoma teaching service and whose  
14 accumulated contributions during such period have not been withdrawn  
15 shall be given an indefinite extension of membership beginning with  
16 the ~~sixth~~ eighth year following ~~his or her~~ the member's last  
17 contributing membership and shall become eligible to apply for  
18 ~~retirement and be retired upon attaining age fifty-five (55).~~

19 (2) An unclassified optional member who has retired or who  
20 retires at sixty-two (62) years of age or older or whose retirement  
21 is because of disability shall have his or her minimum retirement  
22 benefits calculated on an average salary of Five Thousand Three  
23 Hundred Fifty Dollars (\$5,350.00) or, if a larger monthly allowance  
24

1 would result, an amount arrived at pursuant to application of the  
2 formula prescribed herein.

3 (3) No member shall receive a lesser retirement benefit than ~~he~~  
4 ~~or she~~ the member would have received under the law in effect at the  
5 time he or she retired. Any individual under the Teachers'  
6 Retirement System, who through error in stating the title of the  
7 position which ~~he or she~~ the member held, may, at the discretion of  
8 the Board of Trustees, be changed from the nonclassified optional  
9 group to the classified group for the purpose of calculating  
10 retirement benefits.

11 ~~Any individual regardless of residence, who has a minimum of ten~~  
12 ~~(10) years of teaching in Oklahoma schools prior to July 1, 1943, or~~  
13 ~~who taught in Oklahoma schools prior to 1934 and thereafter taught a~~  
14 ~~minimum of ten (10) years and who does not qualify under the present~~  
15 ~~retirement System, or who has a minimum of thirty (30) years of~~  
16 ~~teaching in Oklahoma schools and has reached seventy (70) years of~~  
17 ~~age prior to July 1, 1984, and is not otherwise eligible to receive~~  
18 ~~any benefits from the retirement system shall receive a minimum of~~  
19 ~~One Hundred Fifty Dollars (\$150.00) per month in retirement benefits~~  
20 ~~from the Teachers' Retirement System of Oklahoma plus any general~~  
21 ~~increase in benefits for annuitants as may be provided hereafter by~~  
22 ~~the Legislature. Each individual must apply to the Teachers'~~  
23 ~~Retirement System for such benefit and provide evidence to the~~  
24 ~~Teachers' Retirement System that the service was actually rendered.~~

1 ~~The surviving spouse of any person who made application for the~~  
2 ~~benefit provided for by this paragraph during his or her lifetime~~  
3 ~~but did not receive the benefit may submit an application to the~~  
4 ~~System for payment of the benefit for those months during the~~  
5 ~~lifetime of the deceased person that he or she was eligible for but~~  
6 ~~did not receive the benefit. Upon approval of the application by~~  
7 ~~the Board of Trustees, the benefit shall be paid to the surviving~~  
8 ~~spouse in one lump sum.~~

9 (4) The value of each year of prior service is the total  
10 monthly retirement benefit divided by the number of years of  
11 creditable service.

12 (5) Upon application of a member who is actively engaged in  
13 teaching in Oklahoma or his or her upon application of the member's  
14 employer, any member who has been a contributing member for ten (10)  
15 years may be retired by the System subsequent to the execution and  
16 filing thereof, on a disability retirement allowance, provided that  
17 it is found by the Medical Board after medical examination of such  
18 member by a duly qualified physician that such member is mentally or  
19 physically incapacitated for further performance of duty, that such  
20 incapacity is likely to be permanent, and that such member should be  
21 retired. The System shall rely on and give full consideration to  
22 the conclusions and recommendations in the certified written report  
23 of the Medical Board of the Teachers' Retirement System regarding  
24 the disability application of such member. If the Medical Board

1 does not find that a member applying for disability retirement is  
2 mentally or physically incapacitated for performance of duty or  
3 otherwise eligible for a disability retirement, the application  
4 shall then be considered by the Board of Trustees. If a member is  
5 determined to be eligible for disability benefits pursuant to the  
6 Social Security System, then such determination shall entitle the  
7 member to the authorized disability retirement allowance provided by  
8 law. For members who are not eligible for disability benefits  
9 pursuant to the Social Security System, the Board of Trustees and  
10 the Medical Board shall apply the same standard for which provision  
11 is made in the first two sentences of this subsection for  
12 determining the eligibility of a person for such disability benefits  
13 in making a determination of eligibility for disability benefits as  
14 authorized by this subsection.

15 (6) (a) A member who at the time of retirement has been found  
16 to be permanently physically or mentally incapacitated to perform  
17 the necessary duties to continue in ~~his or her~~ the member's current  
18 position shall receive a minimum monthly retirement payment for life  
19 or until such time as the member may be found to be recovered to the  
20 point where ~~he or she~~ the member may return to teaching. Any member  
21 retired before July 1, 1992, shall be eligible to receive the  
22 monthly retirement allowance herein provided, but such payment shall  
23 not begin until the first payment due him or her after July 1, 1992,  
24 and shall not be retroactive. The Board of Trustees is empowered to

1 make such rules and regulations as it considers proper to preserve  
2 equity in retirements under this provision, which shall include a  
3 provision to protect the rights of the member's spouse.

4 (b) A member who has qualified for retirement benefits under  
5 disability retirement shall have the total monthly payment deducted  
6 from his or her accumulated contributions plus interest earned and  
7 any money remaining in the member's account after the above  
8 deductions at the death of the member shall be paid in a lump sum to  
9 the beneficiary or to the estate of the member. Provided, if the  
10 deceased disabled member had thirty (30) years or more of creditable  
11 service and the death occurred after June 30, 1981, and death  
12 occurred prior to the disabled member receiving twelve monthly  
13 retirement payments, a surviving spouse may elect to receive the  
14 retirement benefit to which the deceased member would have been  
15 entitled at the time of death under the Option 2 Plan of Retirement  
16 provided for in subsection (8) of this section in lieu of the death  
17 benefit provided for in this subsection and in subsection (12) of  
18 this section.

19 (c) Once each year the System may require any disabled  
20 annuitant who has not yet attained the age of sixty (60) years to  
21 undergo a medical examination, such examination to be made at the  
22 place of residence for the disabled annuitant or other place  
23 mutually agreed upon by a physician or physicians designated by the  
24 System. Should any disabled annuitant who has not yet attained the

1 age of sixty (60) years refuse to submit to at least one medical  
2 examination in any such year by a physician or physicians designated  
3 by the System ~~his or her~~ the member's allowance may be discontinued  
4 until ~~he or she~~ the member submits to such examination.

5 (d) Should the Medical Board report and certify to the Board of  
6 Trustees that such disabled annuitant is engaged in or is able to  
7 engage in a gainful occupation paying more than the difference  
8 between ~~his or her~~ the member's retirement allowance and the average  
9 final compensation, and should the Board of Trustees concur in such  
10 report then the amount of ~~his or her~~ the member's pension shall be  
11 reduced to an amount which, together with ~~his or her~~ the member's  
12 retirement allowance and that amount earnable by ~~him or her~~ the  
13 member, shall equal the amount of ~~his or her~~ the member's average  
14 final compensation. Should ~~his or her~~ the member's earning capacity  
15 be later increased, the amount of ~~his or her~~ the member's pension  
16 may be further modified, provided the new pension shall not exceed  
17 that amount of the pension originally granted nor an amount, which  
18 when added to the amount earnable by the member, together with ~~his~~  
19 ~~or her~~ the member's annuity, equals the amount of ~~his or her~~ the  
20 member's average final compensation.

21 (e) Should a disabled annuitant be restored to active service,  
22 ~~his or her~~ the member's disability retirement allowance shall cease  
23 and ~~he or she~~ the member shall again become a an active member of  
24 the Teachers' Retirement System and shall make regular contributions

1 as required under this article. The unused portion of ~~his or her~~  
2 the member's accumulated contributions shall be reestablished to ~~his~~  
3 ~~or her~~ the member's credit in the Teachers' Savings Fund. Any such  
4 prior service certificates on the basis of which ~~his or her~~ the  
5 member's service was computed at the time of ~~his or her~~ the member's  
6 retirement shall be restored to full force and effect.

7 (7) Should a member before retirement under Section 1-101 et  
8 seq. of this title make application for withdrawal duly filed with  
9 the System, not earlier than four (4) months after the date of  
10 termination of such service as a ~~teacher member~~, the contribution  
11 standing to the credit of ~~his or her~~ the member's individual account  
12 in the Teachers' Savings Fund shall be paid to ~~him or her~~ the member  
13 or, in the event of ~~his or her~~ the member's death before retirement,  
14 shall be paid to such person or persons as ~~he or she~~ the member  
15 shall have nominated by ~~written~~ designation, duly executed and filed  
16 with the System; provided, however, if there be no designated  
17 beneficiary surviving upon such death, such contributions shall be  
18 paid to ~~his or her~~ the member's administrators, executors, or  
19 assigns, together with interest as hereinafter provided. In lieu of  
20 a lump-sum settlement at the death of the member, the amount of  
21 money the member has on deposit in the Teachers' Savings Fund ~~and~~  
22 ~~the money the member has on deposit in the Teachers' Deposit Fund~~  
23 may be paid in monthly payments to a designated beneficiary, who  
24 must be the spouse, under the Maximum or Option 1 Plan of Retirement

1 providing the monthly payment shall be not less than Twenty-five  
2 Dollars (\$25.00) per month. The monthly payment shall be the  
3 actuarial equivalent of the amount becoming due at the member's  
4 death based on the sex of the spouse and the age the spouse has  
5 attained at the last birthday prior to the member's death. Provided  
6 further, if there be no designated beneficiary surviving upon such  
7 death, and the contributions standing to the credit of such member  
8 do not exceed Two Hundred Dollars (\$200.00), no part of such  
9 contributions shall be subject to the payment of any expense of the  
10 last illness or funeral of the deceased member or any expense of  
11 administration of the estate of such deceased and the System, upon  
12 satisfactory proof of the death of such member and of the name or  
13 names of the person or persons who would be entitled to receive such  
14 contributions under the laws of descent and distribution of the  
15 state, may authorize the payment of accumulated contributions to  
16 such person or persons. A member terminating ~~his or her~~ membership  
17 by withdrawal after June 30, 2003, shall have the interest computed  
18 at a rate of interest determined by the Board of Trustees and paid  
19 to ~~him or her~~ the member subject to the following schedule:

20 (a) If termination occurs within sixteen (16) years from the  
21 date membership began, fifty percent (50%) of such interest  
22 accumulations shall be paid.  
23  
24

1 (b) With at least sixteen (16) but less than twenty-one (21)  
2 years of membership, sixty percent (60%) of such interest  
3 accumulations shall be paid.

4 (c) With at least twenty-one (21) but less than twenty-six (26)  
5 years of membership, seventy-five percent (75%) of such interest  
6 accumulations shall be paid.

7 (d) With at least twenty-six (26) years of membership, ninety  
8 percent (90%) of such interest accumulations shall be paid.

9 In case of death of an active member, the interest shall be  
10 calculated and restored to the member's account and paid to his or  
11 her beneficiary.

12 (8) (a) In lieu of ~~his or her~~ the maximum retirement ~~allowance~~  
13 benefit payable throughout life for such an amount as determined  
14 under this section, the member may select a retirement ~~allowance~~  
15 benefit for a reduced amount payable under any of the following  
16 options the present value of which is the actuarial equivalent  
17 thereof.

18 (b) ~~A member may select the option under which he or she~~  
19 ~~desires to retire at the end of the school year in which he or she~~  
20 ~~attains age seventy (70) and the option shall be binding and cannot~~  
21 ~~be changed. Provided further that if a member retires before age~~  
22 ~~seventy (70), no election of an option shall be effective in case an~~  
23 ~~annuitant dies before the first payment due under such option has~~  
24 ~~been received.~~

1       ~~(e)~~ The first payment of any benefit selected shall be made on  
2 the first day of the month following approval of the retirement by  
3 the System. If the named ~~designated~~ joint annuitant under Option 2  
4 or 3 dies at any time after the member's retirement date, but before  
5 the death of the member, the member shall return to the retirement  
6 benefit, including any post-retirement benefit increases the member  
7 would have received had the member not selected Option 2 or 3 of  
8 this subsection. The maximum benefit shall be determined at the  
9 date of death of the ~~designated~~ joint annuitant. This increase  
10 shall become effective the first day of the month following the date  
11 of death of the ~~designated~~ joint annuitant, and shall be payable for  
12 the member's remaining lifetime. The member shall notify the  
13 Teachers' Retirement System ~~of Oklahoma~~ of the death of the  
14 ~~designated~~ joint annuitant in writing by providing a copy of the  
15 joint annuitant's death certificate. In the absence of the ~~written~~  
16 ~~notice~~ death certificate being filed by the member notifying the  
17 Teachers' Retirement System ~~of Oklahoma~~ of the death of the  
18 ~~designated~~ joint annuitant within six (6) months of the date of  
19 death, nothing in this subsection shall require the Teachers'  
20 Retirement System ~~of Oklahoma~~ to pay more than six (6) months of  
21 retrospective benefits increase.

22       Option 1. A member takes a slightly reduced retirement benefit  
23 for life. If ~~he or she~~ the member dies before ~~he or she has received~~  
24 receiving in annuity payments the present value of ~~his or her~~ the

1 member's annuity as it was at the time of ~~his or her~~ retirement, the  
2 balance shall be paid to ~~his or her legal representatives or to such~~  
3 ~~person as he or she shall nominate~~ the member's beneficiary by  
4 ~~written designation duly acknowledged and filed with the System at~~  
5 ~~the time of his or her retirement~~ prior to the member's death; or

6 Option 2. A member takes a reduced retirement ~~allowance~~ benefit  
7 for life. Upon the death of the member the payments shall continue  
8 to the member's ~~designated~~ joint annuitant for the life of the joint  
9 annuitant. The ~~written~~ designation of the joint annuitant must be  
10 ~~duly acknowledged and filed with the System at the time of the~~  
11 member's retirement and, except as provided in paragraph (e) of this  
12 subsection, cannot be changed after the effective date of the  
13 member's retirement; or

14 Option 3. A member receives a reduced retirement ~~allowance~~  
15 benefit for life. Upon the death of the member one-half (1/2) of  
16 the retirement ~~allowance~~ benefit paid the member shall be continued  
17 throughout the life of the ~~designated~~ member's joint annuitant. A  
18 ~~written~~ designation of a joint annuitant must be ~~duly acknowledged~~  
19 ~~and~~ filed with the System at the time of the member's retirement  
20 and, except as provided in paragraph ~~(e)~~ (d) of this subsection,  
21 cannot be changed after the effective date of the member's  
22 retirement; or

23 Option 4. ~~Some~~ Provided, the System may establish other  
24 retirement options if certified by the actuary to be of equivalent

1 actuarial value to the member's retirement allowance. Other  
2 retirement options shall be presented to the Board of Trustees for  
3 approval at its discretion. These other benefit or benefits shall  
4 be paid either to the member or, if applicable, to such joint  
5 annuitant as ~~he or she~~ the member shall nominate, ~~provided such~~  
6 ~~other benefit or benefits, together with the reduced retirement~~  
7 ~~allowance, shall be certified by the actuary to be of equivalent~~  
8 ~~actuarial value to his or her retirement allowance and shall be~~  
9 ~~approved by the System.~~

10 ~~(d)~~ (c) Provided that Option 2 and Option 3 shall not be  
11 available if the member's expected benefit is less than fifty  
12 percent (50%) of the lump-sum actuarial equivalent and the  
13 ~~designated~~ joint annuitant is not the spouse of the member.

14 ~~(e)~~ (d) A member who chose the maximum retirement benefit plan  
15 at the time of retirement may make a one-time election to choose  
16 either Option 2 or 3 and name the member's spouse as ~~designated~~  
17 joint annuitant if the member marries after making the initial  
18 election. Such an election shall be made within one (1) year of the  
19 date of marriage. The member shall provide proof of a member's good  
20 health before the System will permit a change to either Option 2 or  
21 3 and the naming of a ~~designated~~ joint annuitant. A medical  
22 examination conducted by a licensed physician is required for  
23 purposes of determining good health. Such examination must be  
24 approved by the Medical Board. The member shall be required to

1 provide proof of age for the new joint annuitant. The System shall  
2 adjust the monthly benefit to the actuarially equivalent amount  
3 based on the new ~~designated~~ joint annuitant's age. The Board of  
4 Trustees shall promulgate rules to implement the provisions of this  
5 subsection.

6 ~~(f)~~ (e) A member who retires after the effective date of this  
7 act and has selected a retirement allowance for a reduced amount  
8 payable under one of the options provided for in this subsection may  
9 make a one-time irrevocable election to select a different option  
10 within sixty (60) days of the member's retirement date. The  
11 beneficiary or joint annuitant designated by the member at the time  
12 of retirement shall not be changed if the member makes the election  
13 provided for in this paragraph.

14 ~~(g)~~ (f) Any individual who is eligible to be a beneficiary or  
15 joint annuitant of a member under this subsection, and who is also a  
16 beneficiary of a trust created under the Oklahoma Discretionary and  
17 Special Needs Trust Act, Section 175.81 et seq. of Title 60 of the  
18 Oklahoma Statutes, or a comparable Trust Act created under the laws  
19 of another state, hereinafter collectively referred to as "Trust  
20 Acts", may be a beneficiary or joint annuitant under this subsection  
21 by having the trustee of the trust established for the benefit of  
22 that individual named as the legal beneficiary or joint annuitant  
23 under this subsection. The age of that beneficiary shall be used  
24 for calculating any benefit payable to the trust under this

1 subsection. The beneficiary of such a trust shall be treated as the  
2 beneficiary or joint annuitant under this subsection except that  
3 payments of any benefits due under this subsection shall be payable  
4 to the lawfully appointed trustee of the trust. The obligation of  
5 the System to pay the beneficiary or joint annuitant under this  
6 subsection shall be satisfied by payment to the trustee whom the  
7 System, in good faith, believes to be the lawfully appointed  
8 trustee. Any conflict between the statutes creating and governing  
9 the Teachers' Retirement System in Section 17-101 et seq. of this  
10 title and the provisions of any Trust Act referred to above shall be  
11 resolved in favor of the statutes governing the System. If an  
12 eligible beneficiary or joint annuitant is named at the time of  
13 retirement, and becomes a beneficiary of a trust under one of the  
14 Trust Acts described herein after that time, the System will  
15 acknowledge the trust as the beneficiary upon the submission of  
16 adequate documentation of the existence of the trust. All other  
17 provisions of this subsection shall apply to these subsequently  
18 created trusts.

19 ~~(h)~~ (g) The Board of Trustees of the System may recognize other  
20 trusts set up for the benefit of individuals otherwise eligible to  
21 be named as a beneficiary or joint annuitant under this subsection  
22 by administrative rule if it can be done without undue additional  
23 administrative expense of the System.

24

1 (9) The governing board of any "public school", as that term is  
2 defined in Section 17-101 of this title, is hereby authorized and  
3 empowered to pay additional retirement allowances or compensation to  
4 any person who was in the employ of such public school for not less  
5 than seven (7) school years preceding the date of his or her  
6 retirement. Payments so made shall be a proper charge against the  
7 current appropriation or appropriations of any such public school  
8 for salaries for the fiscal year in which such payments are made.  
9 Such payments shall be made in regular monthly installments in such  
10 amounts as the governing board of any such public school, in its  
11 judgment, shall determine to be reasonable and appropriate in view  
12 of the length and type of service rendered by any such person to  
13 such public school by which such person was employed at the time of  
14 retirement. All such additional payments shall be uniform, based  
15 upon the length of service and the type of services performed, to  
16 persons formerly employed by such public school who have retired or  
17 been retired in accordance with the provisions of Section 17-101 et  
18 seq. of this title.

19 The governing board of any such public school may adopt rules  
20 and regulations of general application outlining the terms and  
21 conditions under which such additional retirement benefits shall be  
22 paid, and all decisions of such board shall be final.  
23  
24

1 (10) In addition to the teachers' retirement herein provided,  
2 teachers may voluntarily avail themselves of the Federal Social  
3 Security Program upon a district basis.

4 (11) Upon the death of an in-service member, the System shall  
5 pay to the designated beneficiary of the member or, if there is no  
6 designated beneficiary or if the designated beneficiary predeceases  
7 the member, to the estate of the member, the sum of Eighteen  
8 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the  
9 deceased member had ten (10) years or more of creditable service,  
10 the member's designated beneficiary may elect to receive the  
11 retirement benefit to which the deceased member would have been  
12 entitled at the time of death under the Option 2 plan of retirement  
13 in lieu of the death benefit provided for in this subsection.  
14 Provided further, the option provided in this subsection is only  
15 available when the member has designated one individual as the  
16 designated beneficiary. The beneficiary or beneficiaries of death  
17 benefits in the amount not to exceed Eighteen Thousand Dollars  
18 (\$18,000.00), but exclusive of any retirement benefit received by an  
19 electing beneficiary based upon creditable service performed by the  
20 deceased member, which are provided pursuant to this subsection may  
21 elect to disclaim such death benefits in which case such benefits  
22 will be transferred to a person licensed as a funeral director or to  
23 a lawfully recognized business entity licensed as required by law to  
24 provide funeral services for the deceased member. The qualified

1 disclaimer must be in writing and will be an irrevocable and an  
2 unqualified refusal to accept all or a portion of the death benefit.  
3 It must be received by the transferor no more than nine (9) months  
4 after the later of the day the transfer creating the interest in the  
5 disclaiming person is made or the day the disclaiming person attains  
6 age twenty-one (21). The interest in the death benefits must pass  
7 without direction by the disclaiming person to another person. After  
8 paying death benefits to any beneficiary or the member's estate  
9 pursuant to this subsection, the System is discharged and released  
10 from any and all liability, obligation and costs. The System is not  
11 required to inquire into the truth of any matter specified in this  
12 subsection or into the payment of any estate tax liability.

13 (12) Upon the death of a retired member who has contributed to  
14 the System, the retirement system shall pay to the designated  
15 beneficiary of the member or, if there is no designated beneficiary  
16 or if the designated beneficiary predeceases the member, to the  
17 estate of the member, the sum of Five Thousand Dollars (\$5,000.00)  
18 as a death benefit. The beneficiary or beneficiaries of benefits  
19 provided pursuant to this subsection may elect to disclaim such  
20 death benefits in which case such benefits will be transferred to a  
21 person licensed as a funeral director or to a lawfully recognized  
22 business entity licensed as required by law to provide funeral  
23 services for the deceased member. The qualified disclaimer must be  
24 in writing and will be an irrevocable and an unqualified refusal to

1 accept all or a portion of the death benefit. It must be received  
2 by the transferor no more than nine (9) months after the later of  
3 the day the transfer creating the interest in the disclaiming person  
4 is made or the day the disclaiming person attains age twenty-one  
5 (21). The interest in the death benefits must pass without  
6 direction by the disclaiming person to another person. The benefit  
7 payable pursuant to this subsection shall be deemed, for purposes of  
8 federal income taxation, as life insurance proceeds and not as a  
9 death benefit if the Internal Revenue Service approves this  
10 provision pursuant to a private letter ruling request which shall be  
11 submitted by the Board of Trustees of the System for that purpose.  
12 After paying death benefits to any beneficiary or the member's  
13 estate pursuant to this subsection, the System is discharged and  
14 released from any and all liability, obligation and costs. The  
15 System is not required to inquire into the truth of any matter  
16 specified in this subsection or into the payment of any estate tax  
17 liability.

18 (13) Upon the death of a member who dies leaving no living  
19 beneficiary or having designated his or her estate as beneficiary,  
20 the System may pay any applicable death benefit, unpaid  
21 contributions, or unpaid benefit which may be subject to probate, in  
22 an amount of Twenty-five Thousand Dollars (\$25,000.00) or less,  
23 without the intervention of the probate court or probate procedure  
24 pursuant to Section 1 et seq. of Title 58 of the Oklahoma Statutes.

1 (a) Before any applicable probate procedure may be waived, the  
2 System must be in receipt of the member's proof of death and the  
3 following documents from those persons claiming to be the legal  
4 heirs of the deceased member:

5 1. The member's valid last will and testament, trust  
6 documents or affidavit that a will does not exist;

7 2. An affidavit or affidavits of heirship which must  
8 state:

9 a. the names and signatures of all claiming heirs to  
10 the deceased member's estate including the  
11 claiming heirs' names, relationship to the  
12 deceased, current addresses, tax I.D. numbers if  
13 known and current telephone numbers,

14 b. a statement or statements by the claiming heirs  
15 that no application or petition for the  
16 appointment of a personal representative is  
17 pending or has been granted in any jurisdiction,

18 c. a description of the personal property claimed,  
19 (i.e., death benefit or unpaid contributions or  
20 both) together with a statement that such  
21 personal property is subject to probate,

22 d. a statement by each individual claiming heir  
23 identifying the amount of personal property that  
24 the heir is claiming from the System, and that

1 the heir has been notified of, is aware of and  
2 consents to the identified claims of all the  
3 other claiming heirs of the deceased member  
4 pending with the System;

5 3. A written agreement or agreements signed by all  
6 claiming heirs of the deceased member which provides  
7 that the claiming heirs release, discharge and hold  
8 harmless the System from any and all liability,  
9 obligations and costs which it may incur as a result  
10 of making a payment to any of the deceased member's  
11 heirs;

12 4. A corroborating affidavit from an individual other  
13 than a claiming heir, who was familiar with the  
14 affairs of the deceased member;

15 5. Proof that all debts of the deceased member, including  
16 payment of last sickness, hospital, medical, death,  
17 funeral and burial expenses have been paid or provided  
18 for.

19 (b) The Executive Director of the System shall retain complete  
20 discretion in determining which requests for probate waiver may be  
21 granted or denied, for any reason. Should the System have any  
22 question as to the validity of any document presented by the  
23 claiming heirs, or as to any statement or assertion contained  
24

1 therein, the probate requirement provided for in Section 1 et seq.  
2 of Title 58 of the Oklahoma Statutes shall not be waived.

3 (c) After paying any death benefits or unpaid contributions to  
4 any claiming heirs as provided pursuant to this subsection, the  
5 System is discharged and released from any and all liability,  
6 obligation and costs to the same extent as if the System had dealt  
7 with a personal representative of the deceased member. The System  
8 is not required to inquire into the truth of any matter specified in  
9 this subsection or into the payment of any estate tax liability.

10 (14) Upon the death of a retired member, the benefit payment  
11 for the month in which the retired member died, if not previously  
12 paid, shall be made to the joint annuitant if still living, to the  
13 beneficiary of the member if the joint annuitant is deceased, or to  
14 the member's estate if there is no surviving joint annuitant or  
15 beneficiary. Such benefit payment shall be made in an amount equal  
16 to a full monthly benefit payment regardless of the day of the month  
17 in which the retired member died.

18 SECTION 4. AMENDATORY 70 O.S. 2021, Section 17-105.1, is  
19 amended to read as follows:

20 Section 17-105.1 In the event the total retirement payments  
21 made to a retired member and the retired member's joint annuitant,  
22 if any, are less than the member's accumulated contributions with  
23 interest as credited at the time of retirement under Section 17-105  
24 of this title, the difference shall be paid to the member's

1 designated beneficiary or if no designated beneficiary survives,  
2 then to the member's ~~nearest surviving next of kin as determined by~~  
3 ~~law~~ estate. This provision shall apply to retired members dying on  
4 or after July 1, 1979. After paying unpaid accumulated  
5 contributions to any designated beneficiary or the member's estate  
6 pursuant to this section, the System is discharged and released from  
7 any and all liability, obligation and costs. The System is not  
8 required to inquire into the truth of any matter specified in this  
9 subsection or into the payment of any estate tax liability.

10 SECTION 5. AMENDATORY 70 O.S. 2021, Section 17-106.3, is  
11 amended to read as follows:

12 Section 17-106.3 A. All employee and employer contributions  
13 and dedicated revenues shall be deposited in the Oklahoma Teachers'  
14 Retirement Fund in the State Treasury. The Board of Trustees shall  
15 have the responsibility for the management of the Oklahoma Teachers'  
16 Retirement Fund, and may transfer monies used for investment  
17 purposes by the Teachers' Retirement System of Oklahoma from the  
18 Oklahoma Teachers' Retirement Fund in the State Treasury to the  
19 custodian bank or trust company of the System.

20 B. All benefits payable pursuant to the provisions of the  
21 Teachers' Retirement System of Oklahoma, refunds of contribution and  
22 overpayments, and all administrative expenses in connection with the  
23 System shall be paid from the Oklahoma Teachers' Retirement Fund  
24 upon warrants or vouchers signed by two persons designated by the

1 Board of Trustees. ~~All expenses of the administration of the Tax-~~  
 2 ~~Sheltered Annuity Fund shall be paid from the Oklahoma Teachers'~~  
 3 ~~Retirement Fund.~~ The Board of Trustees may transfer monies from the  
 4 custodian bank or trust company of the System to the Oklahoma  
 5 Teachers' Retirement Fund in the State Treasury for the purposes  
 6 specified in this subsection.

7 SECTION 6. AMENDATORY 70 O.S. 2021, Section 17-107, is  
 8 amended to read as follows:

9 Section 17-107. The interest earned on the investments in the  
 10 Teachers' Retirement System of Oklahoma shall be credited in the  
 11 following manner:

12 1. ~~money on deposit in the Teachers' Deposit Fund or Tax-~~  
 13 ~~Sheltered Annuity Fund shall be credited with interest annually~~  
 14 ~~compounded;~~

15 ~~2.~~ there shall be deducted from the annual interest on  
 16 investments an amount necessary for the amortization of bonds  
 17 purchased and owned by the Teachers' Retirement System of Oklahoma;

18 ~~3.~~ 2. there shall be deducted from the annual interest on  
 19 investments an amount of money necessary for the operation of the  
 20 Teachers' Retirement System of Oklahoma; and

21 ~~4.~~ 3. any residue remaining in the Interest Fund after the  
 22 requirements of paragraphs 1 ~~through 3~~ and 2 of this section have  
 23 been fully met shall be used for the purpose of paying retirement  
 24 benefits to the retirees of the Teachers' Retirement System of

1 Oklahoma and transferred to the Retirement Benefit Fund; the  
2 interest income shall be distributed to the various funds on June 30  
3 each year.

4 SECTION 7. AMENDATORY 70 O.S. 2021, Section 17-108, is  
5 amended to read as follows:

6 Section 17-108. A. Each local school district, or state  
7 college or university, or State Board of Education, or State Board  
8 of Career and Technology Education, or other state agencies whose  
9 employees are members of the Teachers' Retirement System  
10 ("participating employers"), shall match, on a pro rata basis, in  
11 accordance with subsection B of this section the contributions of  
12 members whose salaries are paid by federal funds or externally  
13 sponsored agreements such as grants, contracts and cooperative  
14 agreements. These funds shall be remitted at the same time as the  
15 regular contributions of members are remitted to the Teachers'  
16 Retirement System of Oklahoma and deposited in the Retirement  
17 Benefit Fund.

18 B. On an annual basis, the Board of Trustees shall set two  
19 contribution rates to be paid by contributing employers as provided  
20 in subsection A of this section. Both contribution rates shall be  
21 determined using cost principles established by federal regulations  
22 and shall be consistent with policies, regulations and procedures  
23 that apply uniformly to both federally assisted and other  
24 activities, and be accorded consistent treatment through application

1 of generally accepted accounting principles. The Board shall  
2 approve the contribution rates for each fiscal year ending June 30,  
3 no later than April 1 of the previous fiscal year. The first rate  
4 shall be applied to service performed during the regular school year  
5 of the participating employer. The second rate shall be applied to  
6 service performed by members during a summer school program of the  
7 participating employer. For the purposes of this subsection,  
8 "summer school program" is defined as a program offering academic  
9 enrichment for students from Pre-K through 12th grades during the  
10 summer term after the close of the school year. Members shall only  
11 be considered as providing service to a summer school program if  
12 such service is provided pursuant to a separate summer school  
13 contract between the member and the participating employer. The  
14 term "summer school program" does not include services performed at  
15 a participating employer offering an extended school year pursuant  
16 to Section 1-109.1 of this title, or services performed by staff  
17 pursuant to a twelve-month contract with the employer. The method  
18 applied to setting the second contribution rate may take into  
19 consideration whether, or to what extent, such service is likely to  
20 add to members' service credit or final average salary; provided,  
21 however, the second rate shall not exceed one-half (1/2) of the  
22 first rate established in this subsection. The actuary retained by  
23 the Board may recommend such rates using assumptions that apply to

24

1 the group of those members whose service is subject to the second  
2 contribution rate.

3 C. All the assets of the retirement system shall be credited  
4 according to the purpose for which they are held to one of eight  
5 funds, namely: The Teachers' Savings Fund, the Retirement Benefit  
6 Fund, the Interest Fund, the Permanent Retirement Fund, the Expense  
7 Fund, the Suspense Fund, ~~the Teachers' Deposit Fund,~~ and the Retiree  
8 Medical Benefit Fund.

9 1. The Teachers' Savings Fund shall be a fund in which shall be  
10 accumulated the regular contributions from the compensation of  
11 members, including interest earnings prior to July 1, 1968.

12 Contributions to and payments from the Teachers' Savings Fund shall  
13 be made as specifically provided in each plan available within the  
14 retirement system.

15 2. The deductions provided for in the plans within the  
16 retirement system shall be made notwithstanding that the minimum  
17 compensation provided for any member shall be reduced thereby.

18 Every member shall be deemed to consent and agree to the deductions  
19 made and provided for herein and payment of salary or compensation,  
20 less the deduction, shall be a full and complete discharge and  
21 acquittance of all claims and demands whatsoever for the services  
22 rendered by such person during the period covered by such payment,  
23 except as to the benefits provided under this act. The employer  
24 shall certify to the Board of Trustees on each and every payroll, or

1 in such other manner as the Board may prescribe, the amounts to be  
2 deducted, and each of the amounts shall be deducted, and when  
3 deducted shall be paid into the Teachers' Savings Fund, and shall be  
4 credited to the individual account of the member from whose  
5 compensation the deduction was made.

6 3. Following the termination of membership in the retirement  
7 system for any member who has been absent from service for five (5)  
8 years in any period of six (6) consecutive years, the Teachers'  
9 Savings Fund Account of such member shall be closed and the amount  
10 due the member as provided in Section 17-105 of this title shall be  
11 paid upon the filing of formal application. At the time such  
12 membership is terminated the amount due the member as provided in  
13 Section 17-105 of this title shall be transferred to the Suspense  
14 Fund.

15 4. Upon the retirement of a member, the balance of money ~~he or~~  
16 ~~she~~ the member had in the Teachers' Savings Fund shall be  
17 transferred to the Retirement Benefit Fund.

18 5. Retirement Benefit Fund.

19 a. After August 2, 1969, there shall be transferred from  
20 the Teachers' Savings Fund for those members drawing  
21 retirement benefits from the Teachers' Retirement  
22 System of Oklahoma an amount necessary to provide the  
23 monthly annuity payments and pension payments as  
24 required in Section 17-107 of this title. In addition

1 the fund shall consist of monies received from any  
2 state dedicated revenue, monies received from state  
3 appropriations, monies received from federal matching  
4 funds, and the residue of the interest on investments  
5 after the requirements of Section 17-107 of this title  
6 have been fully met. The Retirement Benefit Fund  
7 shall consist of an amount of money necessary for the  
8 making of retirement payments to retirees.

- 9 b. ~~Should a member have deposits in the Teachers' Deposit~~  
10 ~~Fund or the Tax-Sheltered Annuity Fund and wish to~~  
11 ~~receive monthly retirement benefits on such deposits,~~  
12 ~~the actuarial equivalent of a two-year period and each~~  
13 ~~succeeding fiscal year thereafter shall be transferred~~  
14 ~~to the Retirement Benefit Fund. The member may choose~~  
15 ~~any of the plans available in the Teachers' Retirement~~  
16 ~~Act as a method of receiving monthly retirement~~  
17 ~~benefits on the money he has on deposit in the~~  
18 ~~Teachers' Deposit Fund or the Tax-Sheltered Annuity~~  
19 ~~Fund. The monthly retirement benefits paid from the~~  
20 ~~Teachers' Deposit Fund or the Tax-Sheltered Annuity~~  
21 ~~Fund shall be in addition to the regular retirement~~  
22 ~~benefits and the money transferred from the Teachers'~~  
23 ~~Deposit Fund or Tax-Sheltered Annuity Fund shall not~~  
24 ~~be matched by the State of Oklahoma.~~

1 e. From the Retirement Benefit Fund shall be paid all  
2 monthly retirement benefits.

3 ~~d.~~

4 c. At the death of a retired member who has retired under  
5 the Maximum Plan of Retirement, or Option 1 ~~or Option~~  
6 ~~4~~, the balance of money the member has in the  
7 Teachers' Savings Fund shall be transferred to the  
8 Retirement Benefit Fund and the amount due the  
9 member's beneficiary or ~~his or her~~ estate under the  
10 Maximum Plan or Option 1 ~~or Option 4~~ shall be paid  
11 from the Retirement Benefit Fund.

12 ~~e.~~

13 d. At the death of both a retired member who had retired  
14 under Option 2 or 3 and the retired member's ~~spouse~~  
15 annuitant, ~~who had retired under Option 2 or 3~~, any  
16 balance in the Teachers' Savings Fund shall be  
17 transferred from the Teachers' Savings Fund to the  
18 Retirement Benefit Fund.

19 ~~f.~~ ~~At the death of a retired member who had retired under~~  
20 ~~Option 5, the balance of any monies the member had in~~  
21 ~~the Teachers' Savings Fund shall be transferred to the~~  
22 ~~Retirement Benefit Fund for the purpose of making a~~  
23 ~~lump-sum settlement to the beneficiary or his estate.~~  
24 ~~Providing that if the surviving spouse elects to~~

1           ~~receive the balance under the Maximum Plan of~~  
2           ~~Retirement or Option 1 the member's money, if any, on~~  
3           ~~a monthly basis, constituting actuarial equivalent of~~  
4           ~~two (2) years' payments, and each year thereafter the~~  
5           ~~annual actuarial equivalent, shall be transferred from~~  
6           ~~the Teachers' Savings Fund for the purpose of paying~~  
7           ~~monthly retirement benefits to the spouse under this~~  
8           ~~option.~~

9           6. The Interest Fund is hereby created to facilitate the  
10          crediting of interest to the various other funds to which interest  
11          is to be credited. All income, interest and dividends derived from  
12          the deposits and investments authorized by this act shall be paid  
13          into the Interest Fund. On June 30, each year, interest shall be  
14          transferred to the other funds as herein provided.

15          7. The Permanent Retirement Fund shall consist of the  
16          accumulated gifts, awards, and bequests made to the retirement  
17          system, and transfers from the Suspense Fund, the principal of which  
18          is hereby held and dedicated as a perpetual endowment of the  
19          retirement system and shall not be diverted or appropriated to any  
20          other cause or purpose unless specifically provided for in such  
21          gifts, awards or bequests.

22          8. The Expense Fund shall be the fund from which the expense of  
23          administration and maintenance of the retirement system shall be  
24          paid. The Board of Trustees shall cause to be prepared and adopt

1 annually an itemized budget showing the amount required to defray  
2 the expenses for the ensuing fiscal year.

3 Transfers to and payments from this fund shall be made as  
4 follows: first, from the Interest Fund; second, from any dedicated  
5 revenue; and, third, from appropriation by the Oklahoma Legislature.

6 All monies for the operation of the Teachers' Retirement System  
7 of Oklahoma shall be paid from the Expense Fund upon the approval by  
8 the Board of Trustees and the checks signed by two people designated  
9 to sign such checks by the Board of Trustees of the Teachers'  
10 Retirement System of Oklahoma.

11 9. The Suspense Fund shall be comprised of amounts transferred  
12 to the fund as provided in this section and Section 17-105 of this  
13 title and obligations of the retirement system to any member or  
14 person which cannot be legally discharged.

15 10. ~~Teachers' Deposit Fund.~~

16 ~~Any member may request, prior to a pay period, that his or her~~  
17 ~~employer make additional deposits for him or her, for tax-sheltered~~  
18 ~~annuity purposes. However, the amount deposited shall not exceed~~  
19 ~~the limits as defined in Section 402(g) and Section 415 of the~~  
20 ~~Internal Revenue Code of 1986, as amended, and applicable federal~~  
21 ~~regulations. All such deposits shall be credited to the member's~~  
22 ~~account in the Teachers' Deposit Fund for the purchase of a tax-~~  
23 ~~sheltered annuity. The amount thus accumulated, with earnings,~~  
24 ~~shall be used upon the member's retirement, separation from service,~~

1 ~~death or disability to purchase an annuity in addition to his or her~~  
2 ~~regular service retirement allowance. The amount a member~~  
3 ~~accumulates in the Teachers' Deposit Fund, not including interest,~~  
4 ~~may be used to pay distributions in the case of hardship as provided~~  
5 ~~in Section 403(b)(11) of the Internal Revenue Code of 1986, as~~  
6 ~~amended, and applicable federal regulations.~~

7 ~~11.~~ Collection of Contributions.

8 The collection of members' contributions shall be as  
9 follows:

10 (1) Each employer shall cause to be deducted on each  
11 and every payroll or claim of a member for each  
12 and every payroll claim period subsequent to the  
13 date of establishment of the retirement system  
14 the contribution payable by such member as  
15 provided in this act. With each and every  
16 payroll or claim the employer shall deliver to  
17 the treasurer of the employer warrants issued to  
18 the employees as shown to be due by the payroll  
19 or claim, together with a warrant or warrants in  
20 favor of the Teachers' Retirement System as shown  
21 by the payroll or claim.

22 (2) The treasurer or disbursing officer upon delivery  
23 of the warrants and a true copy of the payroll or  
24 claims as provided above shall register the

1 warrants as provided for the registration of  
2 other school warrants, and shall deliver to the  
3 employer warrants issued in favor of the  
4 employees, and shall deliver warrants issued in  
5 favor of the Teachers' Retirement System and the  
6 copy of the payroll or claims to the school  
7 district superintendent as designated by the  
8 Board of Trustees. For the purpose of collecting  
9 contributions of teachers in the public schools,  
10 the superintendent of a school district is hereby  
11 designated to receive the Teachers' Retirement  
12 warrants from the treasurer or proper disbursing  
13 officer of the several school districts for the  
14 purpose of transmitting such warrants and payroll  
15 or claims to the Executive Director of the  
16 Teachers' Retirement System of the State of  
17 Oklahoma. Any college or university or other  
18 educational institution or agency operated in  
19 whole or in part by the state shall have the  
20 amount retained or deducted from the funds  
21 regularly appropriated by the state for the  
22 current maintenance for such educational  
23 departments and institutions.

24

1 (3) For the purpose of enabling the collection of the  
2 contributions of the members of the retirement  
3 system to be made as simple as possible, the  
4 Board of Trustees shall require the secretary or  
5 other officer of each employer-board or agency,  
6 within thirty (30) days after the beginning of  
7 each school year, to make a list of all teachers  
8 in its employ who are members of the retirement  
9 system, certify to the correctness of this list,  
10 and file the same with the Executive Director of  
11 the Board of Trustees of the Teachers' Retirement  
12 System. If additions to or deductions from this  
13 list should be made during the year such  
14 additions or deductions shall likewise be  
15 certified to the Board of Trustees of the  
16 Teachers' Retirement System.

17 (4) The State Treasurer shall furnish annually to the  
18 Board of Trustees a sworn statement of the amount  
19 of the funds in his or her custody belonging to  
20 the retirement system. The records of the Board  
21 of Trustees shall be open to public inspection  
22 and any member of the retirement system shall be  
23 furnished with a statement of the amount of the  
24 credit to ~~his or her~~ the member's individual

1 account upon written request by such member,  
2 provided the Board of Trustees shall not be  
3 required to answer more than one such request of  
4 a member in any one (1) year.

5 (5) Failure of any superintendent, officer, or other  
6 person to discharge the duties imposed upon him  
7 or her by this act shall render him or her or his  
8 or her bondsman liable for any loss occasioned  
9 thereby to the Teachers' Retirement System or the  
10 employees of the school district, or both.

11 (6) On a showing by the Teachers' Retirement System  
12 that a warrant, voucher or check issued to it  
13 has, for any reason, been lost or never received,  
14 after ninety (90) days from the date of issue or  
15 from transmittal for payment, it shall be the  
16 duty of the issuing authority forthwith, without  
17 any indemnifying bond or other requirements, to  
18 issue a duplicate thereof in lieu of that which  
19 was lost, to the Teachers' Retirement System; and  
20 the Teachers' Retirement System shall save  
21 harmless any school district or agency of state  
22 government making payment under the provisions  
23 hereof to the State Teachers' Retirement System  
24 if the original warrant, voucher or check is

1 later presented for payment and same is paid  
2 after a duplicate warrant, voucher or check has  
3 been issued and paid to the Teachers' Retirement  
4 System, and any loss sustained therefrom shall be  
5 charged to the Interest Fund.

6 ~~12.~~ 11. Rollover Contributions and Direct Trustee-to-Trustee  
7 Transfers from Other Plans.

8 Any member may purchase credit for service, to the extent  
9 specified in this title, with rollovers from an eligible retirement  
10 plan as defined by the Internal Revenue Code of 1986, as amended  
11 from time to time. A member may also purchase permissive service  
12 credit, as defined by Code Section 415(n)(3)(A), with a direct  
13 trustee-to-trustee transfer from a governmental Code Section 403(b)  
14 plan or governmental Code Section 457(b) plan. All rollovers and  
15 direct trustee-to-trustee transfers shall be allowed to the extent  
16 permitted by federal law. Rollovers or direct transfers in excess  
17 of the amount necessary to purchase such service credit shall not be  
18 allowed.

19 ~~13.~~ 12. Retiree Medical Benefit Fund.

20 The Retiree Medical Benefit Fund shall be maintained as a  
21 subaccount under the Retirement Benefit Fund. The Retiree Medical  
22 Benefit Fund is composed of all assets contributed to this  
23 subaccount to pay the retirement system's portion of the monthly  
24 retiree health insurance benefits described in Section 1316.3 of

1 Title 74 of the Oklahoma Statutes. All allocated assets and the  
2 earnings thereon in the Retiree Medical Benefit Fund shall be held  
3 for the exclusive purpose of providing retiree medical benefits  
4 pursuant to Section 1316.3 of Title 74 of the Oklahoma Statutes.

5 The Retiree Medical Benefit Fund shall be administered in accordance  
6 with the requirements under Section 401(h) of the Internal Revenue  
7 Code of 1986, as amended from time to time. An amount necessary to  
8 pay the health insurance premiums for retired members as provided by  
9 Section 1316.3 of Title 74 of the Oklahoma Statutes shall be  
10 deposited each month into the Retiree Medical Benefit Fund.

11 SECTION 8. AMENDATORY 70 O.S. 2021, Section 17-116.2, is  
12 amended to read as follows:

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

20 A classified member who retired prior to July 1, 1986, shall  
21 have the member's retirement allowance calculated on a minimum  
22 average salary of Eleven Thousand Five Hundred Dollars (\$11,500.00)  
23 or on the member's current minimum average salary plus Two Thousand  
24 Dollars (\$2,000.00), whichever is greater. Beginning July 1, 1994,

1 a classified member who retired prior to July 1, 1993, shall have  
2 the member's retirement allowance calculated on the member's current  
3 minimum average salary plus Five Hundred Fifty Dollars (\$550.00).

4 An unclassified member who retired prior to July 1, 1986, shall have  
5 the member's retirement allowance calculated on a minimum average  
6 salary of Nine Thousand Five Hundred Dollars (\$9,500.00) or on the  
7 member's current minimum average salary plus One Thousand Dollars  
8 (\$1,000.00), whichever is greater. Beginning July 1, 1994, an  
9 unclassified member who retired prior to July 1, 1993, shall have  
10 the member's retirement allowance calculated on the member's current  
11 minimum average salary plus Two Hundred Seventy-five Dollars  
12 (\$275.00). Those individuals receiving benefits pursuant to  
13 subsection (3) of Section 17-105 of this title whose benefits  
14 commenced prior to July 1, 1993, shall receive an increase in  
15 benefits of two and one-half percent (2 1/2%). No retirement  
16 benefit payments shall be made retroactively.

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

21 2. Beginning July 1, 1995, a member, who has no service  
22 performed on or after July 1, 1995, for an entity or institution  
23 within The Oklahoma State System of Higher Education, who retires on  
24 or after the member's normal retirement age or whose retirement is

1 because of disability shall receive an annual allowance for life,  
2 payable monthly as follows:

3 a. if the member becomes a member after June 30, 1995,  
4 and was not eligible to become a member prior to July  
5 1, 1995, in an amount equal to two percent (2%) of the  
6 member's average salary upon which member  
7 contributions were made, multiplied by the number of  
8 the member's years of creditable service, or

9 b. if the member became a member or is eligible to become  
10 a member prior to July 1, 1995, and elected to have a  
11 maximum compensation level in excess of Twenty-five  
12 Thousand Dollars (\$25,000.00) pursuant to paragraph 1  
13 of subsection C of this section or pursuant to  
14 subsection E of this section, or if the member's  
15 salary has never exceeded Twenty-five Thousand Dollars  
16 (\$25,000.00) prior to July 1, 1995, in an amount equal  
17 to:

18 (1) two percent (2%) of the member's average salary  
19 upon which member contributions were made not to  
20 exceed Forty Thousand Dollars (\$40,000.00),  
21 multiplied by the number of the member's years of  
22 credited service authorized and performed prior  
23 to July 1, 1995, plus any years of prior service  
24 authorized under this title, plus

1 (2) two percent (2%) of the member's average salary  
2 upon which member contributions were made,  
3 multiplied by the number of the member's years of  
4 credited service authorized and performed after  
5 June 30, 1995, or

6 c. if the member became a member or is eligible to become  
7 a member prior to July 1, 1995, and was eligible to  
8 elect to have a maximum compensation level in excess  
9 of Twenty-five Thousand Dollars (\$25,000.00) and did  
10 not elect or elected not to have a maximum  
11 compensation level of Forty Thousand Dollars  
12 (\$40,000.00) pursuant to paragraph 1 of subsection C  
13 of this section or pursuant to subsection E of this  
14 section, in an amount equal to:

15 (1) two percent (2%) of the member's average salary  
16 upon which member contributions were made not to  
17 exceed Twenty-five Thousand Dollars (\$25,000.00),  
18 multiplied by the number of the member's years of  
19 credited service authorized and performed prior  
20 to July 1, 1995, plus any years of prior service  
21 authorized under this title, plus

22 (2) two percent (2%) of the member's average salary  
23 upon which member contributions were made,  
24 multiplied by the number of the member's years of

1 credited service authorized and performed after  
2 June 30, 1995.

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

5 1. Beginning July 1, 1992, through June 30, 1996, six percent  
6 (6%) of the regular annual compensation of such member not in excess  
7 of Twenty-five Thousand Dollars (\$25,000.00) and beginning July 1,  
8 1995, through June 30, 1996, six percent (6%) of the maximum  
9 compensation level;

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

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

22 4. All public schools in this state shall treat the employee  
23 contributions as being picked up under the provisions of Section 414  
24

1 (h) (2) of the Internal Revenue Code of 1986 in determining tax  
2 treatment.

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

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

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

1           such member that is in excess of Twenty-five Thousand  
2           Dollars (\$25,000.00) and is not in excess of Forty  
3           Thousand Dollars (\$40,000.00), and

4           c.   beginning July 1, 1994, through June 30, 1995, eight  
5           percent (8%) of the regular annual compensation of  
6           such member that is in excess of Twenty-five Thousand  
7           Dollars (\$25,000.00) and is not in excess of Forty  
8           Thousand Dollars (\$40,000.00). Except as provided in  
9           subsection E of this section, any such election shall  
10          be irrevocable.

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

1 D. 1. Any member who was a contributing member of the  
2 Retirement System between July 1, 1987, and June 30, 1995, who at  
3 the time the member was eligible to make an election to increase the  
4 maximum compensation level of the member, failed to make an election  
5 or chose not to increase the maximum compensation level of the  
6 member to Forty Thousand Dollars (\$40,000.00), may elect to make  
7 back contributions to the Retirement System. The member shall  
8 complete a new election form and file with the Board of Trustees,  
9 the form and a payment equaling the difference between the amount  
10 contributed at the twenty-five-thousand-dollar level and the  
11 appropriate contribution on compensation in excess of Twenty-five  
12 Thousand Dollars (\$25,000.00) up to a maximum of Forty Thousand  
13 Dollars (\$40,000.00) shall be made prior to the official retirement  
14 date of the member. The required payment shall include any  
15 contribution required by the employing school district, and shall  
16 include interest compounded annually at ten percent (10%) per annum  
17 of both employer and employee contributions.

18 2. Any changes made pursuant to this subsection shall be  
19 irrevocable.

20 E. 1. An individual who withdrew from the Teachers' Retirement  
21 System and whose salary was in excess of Seven Thousand Eight  
22 Hundred Dollars (\$7,800.00) and had elected to contribute only on  
23 Seven Thousand Eight Hundred Dollars (\$7,800.00) before ~~his or her~~  
24 withdrawal shall contribute on the earning ceiling as provided for

1 in this section on ~~his or her~~ reentry into membership in the  
2 Teachers' Retirement System.

3 2. An individual who elected to contribute on a maximum of  
4 Seven Thousand Eight Hundred Dollars (\$7,800.00) per annum shall,  
5 beginning July 1, 1979, contribute on ~~his or her~~ the member's  
6 earning ceiling as provided for in this section.

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

18 F. Each employer shall cause to be deducted from the salary of  
19 each member on each and every payroll of such employer for each and  
20 every payroll period, the proper percentage of ~~his or her earnable~~  
21 the member's regular annual compensation as provided for in  
22 subsection B or subsection C of this section.

23 1. Deductions shall begin with the first payroll period of the  
24 school year. In determining the ~~amount earnable by a~~ contributions

1 to deduct for each member in a payroll period, the Board of Trustees  
2 shall consider the rate of annual compensation payable to such  
3 member on the first day of the payroll period as continuing  
4 throughout such payroll period, and it may omit deductions from  
5 compensation for any period less than a full period, and to  
6 facilitate the making of deductions, it may modify the deduction  
7 required of any member by such an amount as shall not exceed one-  
8 tenth of one percent (1/10 of 1%) of the annual compensation upon  
9 the basis of which such deduction is to be made. Prior to January  
10 1, 1991, any active contributing member who joined the System  
11 subsequent to July 1, 1943, may pay the normal cost, which shall  
12 mean the single sum which would have been paid under existing  
13 statutes at the time the service was performed, plus interest, for  
14 years of teaching service in Oklahoma from the date of establishment  
15 of the System in 1943 to date of membership, in a lump sum, or in  
16 installments equal to establishing one (1) year of creditable  
17 service. Effective January 1, 1991, any active contributing member  
18 who joined the System subsequent to July 1, 1943, may pay the amount  
19 determined by the Board of Trustees pursuant to Section 17-116.8 of  
20 this title for years of teaching service in Oklahoma from the date  
21 of establishment of the System in 1943 to date of membership, in a  
22 lump sum, or in installments equal to establishing one (1) year of  
23 creditable service. For purposes of this option, teaching service  
24 in Oklahoma shall include the teaching of vocational agricultural

1 courses within Oklahoma for the federal government. Years for which  
2 contributions are paid shall count as membership service under this  
3 plan. A member may receive credit for not more than five (5) years  
4 of teaching service rendered while in the Peace Corps or in the  
5 public schools of a territory of the United States or the public  
6 schools, American Military Dependent Schools or state colleges or  
7 state universities outside this state by paying his or her  
8 contributions, plus interest, and membership fees to the retirement  
9 system, subject to the regulations of the Board of Trustees,  
10 providing he or she is not receiving and is not eligible to receive  
11 retirement credit or benefits from said service in any other public  
12 retirement system of this state, or any other state or territory of  
13 the United States subject to the following provisions:

- 14 a. the member is required to have two (2) years of  
15 employed service teaching earned in Oklahoma for each  
16 year of Peace Corps, territorial, out-of-state,  
17 noncovered in-state or military membership credit  
18 granted.
- 19 b. prior to January 1, 1991, the out-of-state or  
20 noncovered in-state payment shall be the normal cost,  
21 which means the single sum which would have been paid  
22 under existing law at the time the service was  
23 performed, plus interest, on the basis of what his or  
24 her annual salary would have been in Oklahoma or out

1 of state, whichever is greater, had he or she been  
2 employed as a teacher. Effective January 1, 1991, the  
3 Peace Corps, territorial, out-of-state or noncovered  
4 in-state payment shall be the amount determined by the  
5 Board of Trustees pursuant to Section 17-116.8 of this  
6 title.

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

1 Trustees pursuant to Section 17-116.8 of this title. Such  
2 contributions shall be credited in the regular manner, and the  
3 period for which said contributions were paid shall be counted as  
4 creditable years of service and allocated to the period during which  
5 the military service was rendered, except that the period for which  
6 contributions were paid must have been continuous and shall be  
7 credited in the aggregate, regardless of fiscal year limitations.  
8 Notwithstanding any provision herein to the contrary, contributions,  
9 benefits and service credit with respect to qualified military  
10 service as defined by Section 414(u) of the Internal Revenue Code of  
11 1986 shall be provided in accordance with Section 414(u) of the  
12 Internal Revenue Code.

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

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

1 members retiring or vesting on or after the effective date of this  
2 act and shall not be retroactive.

3 H. Any member who:

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

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

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

1 the Teachers' Retirement System of Oklahoma. The employer shall  
2 make employer contributions according to the requirements of Section  
3 17-108.1 of this title and shall provide for the deduction of  
4 employee contributions as required by this section.

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

20 J. A member may receive credit for those years of service  
21 accumulated by the member while employed by an entity which is a  
22 participating employer in the Oklahoma Firefighters Pension and  
23 Retirement System, the Oklahoma Police Pension and Retirement  
24 System, the Uniform Retirement System for Justices and Judges, the

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

24

1 subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes  
2 shall not affect any retirement benefit paid prior to July 1, 1993.

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

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

9 b. the member provides notice to the Oklahoma Public  
10 Employees Retirement System and the Teachers'  
11 Retirement System of Oklahoma of the member's election  
12 to transfer said service credit. The notice shall  
13 include a 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 said 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 who are receiving or eligible to receive retirement  
21 credit or benefits from said service in any other public retirement  
22 system shall have all service credit with the Oklahoma Public  
23 Employees Retirement System canceled which is not transferred to the  
24 Teachers' Retirement System of Oklahoma or used as a cash offset in

1 such a transfer pursuant to subparagraph d of paragraph 2 of this  
2 subsection. Service credit transferred to the Teachers' Retirement  
3 System of Oklahoma under this subsection shall also be canceled with  
4 the Oklahoma Public Employees Retirement System.

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

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

13 (1) for members who have accrued at least eight (8)  
14 years of credited service with the sending  
15 system, determine the present value of the  
16 member's earned benefits attributable to the  
17 years of service sought to be transferred,  
18 discounted according to the member's age at the  
19 time of transfer and computed as of the earliest  
20 age at which the member would be able to retire.  
21 Said computation shall assume an unreduced  
22 benefit and be computed using interest and  
23 mortality assumptions consistent with the  
24 actuarial assumptions adopted by the Board of

1 Trustees for purposes of preparing the annual  
2 actuarial evaluation, but shall not make any  
3 projections regarding future salary. For  
4 employees who have accrued at least eight (8)  
5 years of credited service, the sending system  
6 shall use the product of this calculation for  
7 purposes of determining the transfer fee to be  
8 paid by the employee under subparagraph c of this  
9 paragraph so long as it is greater than the  
10 product of the calculation in division (2) of  
11 this subparagraph, and

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

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

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

21           c.    The sending system shall, within sixty (60) days from  
22           the date notification of an intent to transfer is  
23           received by the sending system, transfer to the  
24           receiving system the amount determined in subparagraph

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

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

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

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

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 9. AMENDATORY 70 O.S. 2021, Section 17-116.10,  
11 is amended to read as follows:

12 Section 17-116.10 A. Subject to the requirements of Section 6-  
13 101.2 of this title and any other applicable requirements of law, a  
14 member may enter into postretirement employment with a public school  
15 of Oklahoma and still receive monthly retirement benefits subject to  
16 the following limitations:

17 1. A retired member is not eligible to be employed by the  
18 public schools of Oklahoma, in any capacity, for sixty (60) calendar  
19 days between the retiree's last day of preretirement public  
20 education employment and any postretirement public education  
21 employment. For purposes of this section, the term "last day of  
22 preretirement employment" shall mean the last day the employee is  
23 required to be physically present on the job to complete the terms  
24 of the employment contract or agreement, provided this day cannot be

1 earlier than the member's effective retirement date. An employee on  
2 paid leave is still considered to be employed for purposes of this  
3 section. Employment under any conditions during this time,  
4 volunteer services for the purpose of obtaining a paid position at a  
5 later date, or payment at a later time for services performed during  
6 this time period shall cause the forfeiture of all retirement  
7 benefits received during the period;

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

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

9 a. earnings shall mean "regular annual compensation" as  
10 defined in paragraph ~~(25)~~ (21) of Section 17-101 of  
11 this title, and shall include any payment by a public  
12 school for services rendered by a retired member who  
13 is employed for any purpose whatsoever. Supplemental  
14 retirement payments paid by a former public school  
15 employer pursuant to subsection (9) of Section 17-105  
16 of this title or other state law shall not be  
17 considered as earnings,

18 b. ~~the Earnings Limitation for employees allowed by the~~  
19 ~~Social Security Administration to workers between the~~  
20 ~~age of sixty two (62) years and sixty five (65) years~~  
21 ~~shall apply to retired members below the age of sixty-~~  
22 ~~two (62) years,~~

23 c. ~~the limit on allowed earnings from the public schools~~  
24 ~~shall be automatically adjusted effective the first~~

- 1 ~~day of January of each year to reflect the current~~  
2 ~~Earnings Limitation for employees as determined from~~  
3 ~~time to time by the Social Security 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.~~
- 10 c. earnings in excess of the maximum limit on allowed  
11 earnings from public schools of Oklahoma shall result  
12 in a loss of ~~future~~ retirement benefits ~~for the year~~  
13 ~~the postretirement employment was performed~~ of One  
14 Dollar (\$1.00) for each One Dollar (\$1.00) earned over  
15 the maximum allowed earnings amount,
- 16 ~~f.~~ ~~for those members age seventy (70) years and over, the~~  
17 ~~earnings in excess of the maximum limit allowed~~  
18 ~~earnings from public schools of Oklahoma shall be one-~~  
19 ~~half (1/2) the member's final average salary used in~~  
20 ~~computing retirement benefits. However, any retired~~  
21 ~~member receiving benefits from the Retirement System~~  
22 ~~who reached age seventy (70) years prior to July 1,~~  
23 ~~1991, shall not be restricted by the earnings limits~~  
24 ~~pursuant to this subparagraph until January 1, 1994.~~

1           ~~To qualify for the provisions of this subparagraph,~~  
2           ~~the member must be employed less than one half (1/2)~~  
3           ~~time compared to other full-time employees in similar~~  
4           ~~positions;~~

5           3. ~~Notwithstanding paragraph 2 of this subsection, a retired~~  
6 ~~classified or nonclassified member who has been retired for thirty-~~  
7 ~~six (36) or more months and who is employed by a public school to~~  
8 ~~perform duties ordinarily performed by classified or nonclassified~~  
9 ~~personnel shall be able to receive annualized earnings from the~~  
10 ~~public school with no reduction in retirement benefits regardless of~~  
11 ~~the amount of annualized earnings. For a period of three (3) years~~  
12 ~~beginning July 1, 2017, members who have retired as of July 1, 2017,~~  
13 ~~as active classroom teachers, who have been retired and receiving a~~  
14 ~~benefit for at least one (1) year, and who have not been employed by~~  
15 ~~any public school during that one-year period, shall be eligible to~~  
16 ~~be reemployed as an active classroom teacher in common or career~~  
17 ~~tech school districts, with no limitations on earnings. For a~~  
18 ~~period of three (3) years beginning July 1, 2021, members who have~~  
19 ~~retired as of July 1, 2020, who have been retired and receiving a~~  
20 ~~benefit for at least one (1) year, and who have not been employed by~~  
21 ~~any public school during that one-year period, shall be eligible to~~  
22 ~~be reemployed as an active classroom teacher in common or career~~  
23 ~~tech school districts, with no limitations on earnings. The one-~~  
24 ~~year period starts with the retiree's last day of preretirement~~

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

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

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

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

23

24

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

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

9 SECTION 10. REPEALER 70 O.S. 2021, Section 17-104, is  
10 hereby repealed.

11 SECTION 11. REPEALER 70 O.S. 2021, Section 17-114.2, is  
12 hereby repealed.

13 SECTION 12. This act shall become effective November 1, 2023.

14

15 59-1-6270 CMA 01/11/23

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January 17, 2023

Representative Mark Lepak  
Room 543

Re: RBH No. 6270

RBH No. 6270 is an Oklahoma Teachers Retirement System cleanup bill.

RBH No. 6270 is a nonfiscal bill as defined by OPLAAA.

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