

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 89

By: Frix

AS INTRODUCED

An Act relating to leave benefits for state employees; amending 74 O.S. 2021, Sections 840-2.20, as last amended by Section 172, Chapter 452, O.S.L. 2024, and 913, as amended by Section 3, Chapter 146, O.S.L. 2023 (74 O.S. Supp. 2024, Sections 840-2.20 and 913), which relate to employee leave and service credit; directing Office of Management and Enterprise Services to establish mechanism for transfer of certain unused leave for certain purpose; providing option for transfer of unused sick leave in lieu of certain service credit purchase; updating statutory references; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 840-2.20, as last amended by Section 172, Chapter 452, O.S.L. 2024 (74 O.S. Supp. 2024, Section 840-2.20), is amended to read as follows:

Section 840-2.20. A. The Director of the Office of Management and Enterprise Services shall promulgate such emergency and

1 permanent rules regarding leave and holiday leave as are necessary
2 to assist the state and its agencies.

3 The Director of the Office of Management and Enterprise
4 Services, in adopting new rules, amending rules and repealing rules,
5 shall ensure that the following provisions are incorporated:

6 1. Eligible employees who enter on duty or who are reinstated
7 after a break in service shall receive leave benefits in accordance
8 with the schedule outlined below. Leave shall be accrued based upon
9 hours worked, paid leave, and holidays, but excluding overtime, not
10 to exceed the total possible work hours for the pay period. Years
11 of service shall be based on cumulative periods of employment
12 calculated in the manner that cumulative service is determined for
13 longevity purposes pursuant to Section 840-2.18 of this title.

14 Employees may accumulate more than the maximum annual leave
15 accumulation limits shown in the schedule below provided that such
16 excess is used during the same calendar year in which it accrues or
17 within twelve (12) months of the date on which it accrues, at the
18 discretion of the appointing authority. If an employee whose job
19 duties include providing fire protection services, law enforcement
20 services or services with the Department of Corrections is unable to
21 use excess leave as provided for in this paragraph because the
22 employee's request for leave is denied by the employee's appointing
23 authority and the denial of leave is due to extraordinary
24 circumstances such that taking leave could pose a threat to public

1 safety, health or welfare, the employee shall receive compensation
 2 at the employee's regular rate of pay for the amount of excess leave
 3 the employee is unable to use. Such compensation shall be paid at
 4 the end of the time period during which the excess leave was
 5 required to have been used;

6 2. On and after ~~the effective date of this act~~ July 1, 2023,
 7 the following accrual rates and accumulation limits apply to
 8 eligible employees as follows:

	ACCRUAL RATES			ACCUMULATION
				LIMITS
	Cumulative			
	Years of	Annual	Sick	Annual
	Service	Leave	Leave	Leave
14	Persons employed 0-5 yrs	= 15 day/yr	15 days/yr	30 days
15	5-10 yrs	= 18 day/yr	15 days/yr	80 days
16	10-20 yrs	= 20 day/yr	15 days/yr	80 days
17	over 20 yrs	= 25 day/yr	15 days/yr	80 days

18 Following an emergency declaration as described in Section 683.8
 19 of Title 63 of the Oklahoma Statutes, the accumulation limits for
 20 annual leave shall temporarily increase and shall carryover to the
 21 end of the fiscal year following the year in which the emergency
 22 declaration ended.

23 All annual leave that accrued or expired during the period of
 24 the emergency declarations issued by the Governor in 2020 and 2021

1 in response to the novel coronavirus (COVID-19) shall carry over to
2 the end of the fiscal year following the year in which the emergency
3 declaration ended regardless of regulatory provisions that establish
4 a maximum amount of annual leave that may be accumulated by an
5 employee of this state. Expired annual leave governed by this
6 subsection shall be reinstated as of May 7, 2021, and accumulation
7 limits for annual leave shall not apply to amounts accrued or
8 reinstated pursuant to this subsection. Eligibility for
9 reinstatement of annual leave is limited to employees currently
10 employed by this state on May 7, 2021;

11 3. Temporary employees and other limited term employees are
12 ineligible to accrue, use, or be paid for sick leave and annual
13 leave. Such employees shall be eligible for paid holiday leave at
14 the discretion of the appointing authority;

15 4. Except as provided in paragraph 2 of this subsection,
16 employees shall not be entitled to retroactive accumulation of leave
17 as a result of amendments to this section;

18 5. The Director of the Office of Management and Enterprise
19 Services shall assist agencies in developing policies to prevent
20 violence in state government workplaces without abridging the rights
21 of state employees. Such policies shall include a paid
22 administrative leave provision as a cooling-off period which the
23 Director of the Office of Management and Enterprise Services is
24 authorized to provide pursuant to the Administrative Procedures Act.

1 Such leave shall not be charged to annual or sick leave
2 accumulations;

3 6. State employees who terminated their employment in the state
4 service on or after October 1, 1992, may be eligible to have sick
5 leave accrued at the time of termination of employment restored if
6 they return to state employment provided that the state employees'
7 enter-on-duty dates for reemployment occur on or before two (2)
8 years after their termination of employment and they are eligible to
9 accrue sick leave before the two (2) years expire;

10 7. Employees who are volunteer firefighters pursuant to the
11 Oklahoma Volunteer Firefighters Act and who are called to fight a
12 fire shall not have to use any accrued leave or need to make up any
13 time due to the performance of their volunteer firefighter duties;

14 8. Employees who are reserve municipal police officers pursuant
15 to Section 34-101 of Title 11 of the Oklahoma Statutes and who miss
16 work in performing their duties in cases of emergency shall not have
17 to use any accrued leave or need to make up any time due to the
18 performance of their reserve municipal police officer duties;

19 9. Employees who are reserve deputy sheriffs pursuant to
20 Section 547 of Title 19 of the Oklahoma Statutes and who miss work
21 in performing their duties in case of emergency shall not have to
22 use any accrued leave or need to make up any time due to the
23 performance of their reserve deputy sheriff duties;

1 10. For purposes of the computation required by this section,
2 any service performed by a person during which the person received
3 compensation for duties performed for the state shall be counted if
4 payment for such service was made using state fiscal resources. The
5 provisions of this section shall not apply to elected or appointed
6 justices or judges, including special judges, who perform service in
7 the trial or appellate courts. The provisions of this section shall
8 apply to persons who perform services as an administrative law judge
9 within the executive department and employees of the judicial
10 branch; and

11 11. Eligible employees shall be entitled to paid maternity
12 leave as provided for in Section 840-2.20D of this title.

13 B. Nothing in law is intended to prevent or discourage an
14 appointing authority from disciplining or terminating an employee
15 due to abuse of leave benefits or absenteeism. Appointing
16 authorities are encouraged to consider attendance of employees in
17 making decisions regarding promotions, pay increases, and
18 discipline.

19 C. Upon the transfer of a function in state government to an
20 entity outside state government, employees may, with the agreement
21 of the outside entity, waive any payment for leave accumulations to
22 which the employee is entitled and authorize the transfer of the
23 leave accumulations or a portion thereof to the outside entity.

1 D. All permanent employees of the state shall be eligible to
2 carry over a maximum of six hundred forty (640) hours of annual
3 leave each year. Additionally, all employees shall be paid up to a
4 maximum of six hundred forty (640) hours of annual leave upon
5 separation from state service.

6 E. The Office of Management and Enterprise Services, in
7 conjunction with the Oklahoma Public Employees Retirement System,
8 shall establish a mechanism for vested employees retiring from state
9 service to elect to transfer unused sick and annual leave in excess
10 of the limits set forth in this section to be used for the retiree
11 and his or her dependents' benefit allowance upon retirement.
12 Annual leave transferred under this subsection shall be transferred
13 at the standard benefit allowance rate for the calendar year.

14 SECTION 2. AMENDATORY 74 O.S. 2021, Section 913, as
15 amended by Section 3, Chapter 146, O.S.L. 2023 (74 O.S. Supp. 2024,
16 Section 913), is amended to read as follows:

17 Section 913. A. Prior service shall be credited as follows:

18 1. A member shall receive full credit for employment with any
19 participating employer prior to the entry date of his or her
20 employer whether or not continuous and whether or not he or she was
21 employed with a participating employer on such entry date, provided
22 that any member who has retired before the passage of Section 901 et
23 seq. of this title, shall not receive retirement benefits
24 retroactively for such prior service. Provided, that at such time

1 that an employer becomes a participating employer on or after
2 January 1, 1965, and before January 1, 1975, each member and each
3 retirant, upon making proper written application therefor, shall
4 receive prior service credit for service with such employer in the
5 same manner as if such participating employer had been a
6 participating employer on the date first eligible to become a
7 participating employer; and increased benefits attributable to such
8 increased prior service credit shall commence with the next monthly
9 benefit payment due following receipt and approval of such
10 application by the Board of Trustees. No prior service shall be
11 granted, however, for periods of service in which the employee made
12 contributions which he or she subsequently withdrew, unless he or
13 she has complied with the provisions of subsection (5) of Section
14 917 of this title. The burden of proof regarding prior service
15 shall be with the member and shall be documented in such manner as
16 the Board may direct;

17 2. Any member who was employed in an institution of higher
18 learning by a State Board of Regents or who was employed by an
19 Oklahoma school district prior to July 1, 1943, may receive prior
20 service credit under Section 901 et seq. of this title for the
21 period of time they were so employed;

22 3. Any member ~~who served in the Armed Forces of the United~~
23 ~~States~~ with military service, as defined in paragraph (23) of
24 Section 902 of this title, prior to membership in the Oklahoma
25

1 Public Employees Retirement System shall be granted prior service
2 credit, not to exceed five (5) years, for those periods of active
3 military service during which he or she was a war veteran. For a
4 member of the System hired on or after July 1, 2003, if the military
5 service credit authorized by this paragraph is used to compute the
6 retirement benefit of the member and the member retires from the
7 System, such military service credit shall not be used to compute
8 the retirement benefit in any other retirement system created
9 pursuant to the Oklahoma Statutes and the member may receive credit
10 for such service only in the retirement system from which the member
11 first retires;

12 4. An elective state, county, city or town official who is
13 ineligible for membership as a result of any applicable state law or
14 constitutional provision making him or her ineligible solely because
15 of his or her being such an official at the time of his or her
16 eligibility for membership at the time his or her employer becomes a
17 participating employer shall nevertheless not forfeit the prior
18 service credit to which he or she would be entitled except for such
19 ineligibility, provided that he or she either:

- 20 a. becomes an employee of a participating employer within
21 four (4) calendar months of the expiration of his or
22 her term of office current at the time of his or her
23 eligibility except for his or her being an elective
24 state or county official,

1 b. within a period of four (4) years after the expiration
2 of his or her term of office current at the time of
3 his or her eligibility except for his or her being an
4 elective state or county official, is elected as a
5 state or county official and thereupon becomes a
6 member of the System, or

7 c. has completed ten (10) years of credited service as of
8 the date of his or her eligibility for membership
9 except for his or her being an elective state or
10 county official;

11 5. Beginning July 1, 1965, all employees of the Department of
12 Human Services shall participate in the Oklahoma Public Employees
13 Retirement System to the same extent as other employees of
14 participating employers in such System. Provided, that any employee
15 performing teaching services in the Oklahoma School for the Deaf or
16 the Oklahoma School for the Blind may elect to participate in the
17 Teachers' Retirement System of Oklahoma in lieu of the Oklahoma
18 Public Employees Retirement System; and any other employee at each
19 such institution or any other institution under the jurisdiction of
20 the Department of Human Services, participating in the Teachers'
21 Retirement System of Oklahoma, may elect to continue to participate
22 in such System in lieu of the Oklahoma Public Employees Retirement
23 System. All employees who shall have participated in the Teachers'
24 Retirement System of Oklahoma and not continuing therein shall have

1 the right to withdraw their membership from the Teachers' Retirement
2 System of Oklahoma on the same terms as other members withdrawing
3 from such System before retirement. Provided, all persons employed
4 at the Oklahoma School for the Blind and Oklahoma School for the
5 Deaf on June 30, 1965, who became subject to the Oklahoma Public
6 Employees Retirement System, on July 1, 1965, shall receive credit
7 for prior service and be eligible for participation, regardless of
8 age;

9 6. A member employed as a temporary employee by the Legislative
10 Service Bureau or its predecessors, the Senate or the House of
11 Representatives for the full duration of a regular legislative
12 session prior to the member's eligibility for membership in the
13 System shall receive six (6) months of prior service credit for each
14 such full regular legislative session if the employee is employed by
15 the Legislative Service Bureau or its predecessors, the Senate or
16 the House of Representatives as either a full-time or temporary
17 employee for a minimum of six (6) full regular legislative sessions
18 beginning January 1, 1983. For purposes of this subsection, the
19 determination of whether an employee is employed for the full
20 duration of a regular legislative session shall be made by the
21 Legislative Service Bureau if such employee is employed by the
22 Legislative Service Bureau, the Senate if such employee is employed
23 by the Senate, or by the House of Representatives if such employee
24 is employed by the House of Representatives;

1 7. A member of the System shall receive prior service credit
2 for any years of service after January 1, 1975, the member had with
3 a participating employer if the member is not receiving or eligible
4 to receive such prior service credit for the same time in any other
5 state or county retirement system authorized by law. To receive the
6 service credit, the member shall pay the amount determined by the
7 Board pursuant to Section 913.5 of this title; and

8 8. Any member who is a state employee and receives temporary
9 total disability benefits during the period of absence with a
10 participating employer due to a work-related injury or illness
11 incurred while engaged in a governmental function for the
12 participating employer pursuant to the Administrative Workers'
13 Compensation Act shall receive credit for participating service
14 during such period of absence subject to the following requirements:

- 15 a. the member was employed by the participating employer
16 immediately prior to and during the period of absence,
17 b. the member must notify the System in writing not later
18 than four (4) months after the member's return to his
19 or her job duties with the participating employer, or
20 termination of employment with the participating
21 employer, or termination of the temporary total
22 disability benefits, whichever is earlier, of the
23 member's desire to receive participating service
24 credit for the period of absence,

1 c. the participating employer must certify to the System
2 in writing the dates during which temporary total
3 disability benefits payments were paid to the member,
4 and

5 d. the member and the participating employer shall each
6 pay their respective contributions required for the
7 period of absence without interest within sixty (60)
8 days of invoicing by the System, or with interest of
9 seven and one-half percent (7 1/2%) compounded
10 annually if paid after the sixty (60) days.

11 B. Participating service shall be credited as follows:

12 1. A member shall receive credit for participating service with
13 a participating employer in accordance with the rules and
14 regulations established by the Board; provided, however, that a
15 member who is not a full-time employee shall receive prorated credit
16 for actual hours worked;

17 2. Leaves of absence shall not count as a break in continuous
18 employment provided the member leaves his or her accumulated
19 contribution on deposit with the fund; however, the leaves of
20 absence shall not be credited except that involuntary furloughs
21 established by Office of Management and Enterprise Services rules,
22 involuntary furloughs of employees of a district attorney conducted
23 in substantial compliance with the rules of the Office of Management
24 and Enterprise Services as certified by the District Attorneys

1 Council, involuntary furloughs of employees pursuant to a furlough
2 plan adopted by the President Pro Tempore of the Senate or the
3 Speaker of the House of Representatives as authorized in Section
4 840-5.1 of this title and involuntary furloughs of employees
5 authorized by the ~~Oklahoma~~ Supreme Court shall be credited;

6 3. Any member who has served in the Armed Forces of the United
7 States, as defined in paragraph (23) of Section 902 of this title,
8 shall be granted participating service for those periods of active
9 military service during which he or she was a war veteran provided
10 this service is immediately preceded by a period of employment with
11 a participating employer and is followed by return to employment as
12 an employee with the same or another participating employer within
13 ninety (90) days immediately following discharge from such military
14 service provided the member leaves his or her accumulated
15 contributions on deposit with the fund. Provided, on or after ~~the~~
16 ~~effective date of this act~~ November 1, 2023, service granted under
17 this section and service purchased under Section 913.8 of this title
18 shall not exceed five (5) years;

19 4. A period of total disability under the System immediately
20 followed by employment with a participating employer, shall not
21 count as a break in continuous employment; provided, that such
22 periods while not employed shall not be credited except that
23 involuntary furloughs established by Office of Management and
24 Enterprise Services Rule 6.13, shall be credited;

1 5. Termination of employment with a participating employer
2 followed by employment with the same or another participating
3 employer within four (4) calendar months shall not constitute a
4 break in continuous employment; provided, that such period while not
5 employed shall not be credited as participating service;

6 6. Provided, however, that all employee contributions required
7 by Section 901 et seq. of this title made by employees prior to June
8 30, 1977, will entitle the employee to additional years of
9 participating service in accordance with the following schedule.

10 Employee accumulated contributions:

- 11 More than \$1.00 up to \$500 = 1 year participating service
- 12 More than \$500 up to \$1,000 = 2 years participating service
- 13 More than \$1,000 up to \$1,500 = 3 years participating service
- 14 More than \$1,500 up to \$2,000 = 4 years participating service
- 15 More than \$2,000 = 5 years participating service

16 In no event shall the employee be entitled to more than five (5)
17 additional years of participating service as provided hereunder.

18 Provided further, that upon termination of employment prior to
19 retirement, the accumulated contributions will be credited as above
20 indicated to establish a vested benefit if so elected by any such
21 employee; and

22 7. a. The total participating service credit of a member who
23 retires or terminates employment and elects a vested
24 benefit shall include not to exceed one hundred thirty

1 (130) days of unused sick leave accumulated subsequent
2 to August 1, 1959, during the member's employment with
3 any participating employer. Such credit shall be
4 added in terms of whole months. Twenty (20) days of
5 unused sick leave shall equal one (1) month for
6 purposes of participating service credit. If unused
7 sick leave entitles a member to an additional year of
8 service credit, the member's employer shall reimburse
9 the System for the cost of funding the additional
10 benefit. For members who join the System on or after
11 November 1, 2012, if unused sick leave entitles a
12 member to any additional service credit, the member's
13 employer shall reimburse the System for the cost of
14 funding the additional benefit. Each participating
15 employer shall provide the System with adequate and
16 timely information necessary to determine additional
17 benefits and its cost under this paragraph. This
18 subparagraph shall apply to members retiring or
19 vesting on or after July 1, 1984.

- 20 b. For members who join the System on or after November
21 1, 2012, unused sick leave as set forth in
22 subparagraph a of this paragraph shall be credited at
23 the same rate but not used to round up to another
24 year. Instead, any additional months of unused sick

1 leave credit shall be added to other service credit
2 without rounding.

3 c. Members who accrue unused sick leave may, pursuant to
4 Section 840-2.20 of this title, elect to transfer such
5 leave for the purpose of converting the unused leave
6 to the member's retirement insurance benefit allowance
7 in lieu of purchasing service credit under this
8 subparagraph.

9 C. In determining the number of years of credited service, a
10 fractional year of six (6) months or more shall be considered as one
11 (1) year, and less than six (6) months shall be disregarded. For
12 members who join the System on or after November 1, 2012, the number
13 of years of credited service shall be based on actual years and full
14 months of credited service without rounding up or down.

15 D. A member may receive credit for those years of credited
16 service accumulated by the member while a member of the Oklahoma
17 Firefighters Pension and Retirement System, the Oklahoma Police
18 Pension and Retirement System, the Uniform Retirement System for
19 Justices and Judges, the Oklahoma Law Enforcement Retirement System,
20 or the Teachers' Retirement System of Oklahoma, if the member is not
21 receiving or eligible to receive retirement credit or benefits from
22 such service in any other public retirement system. To receive the
23 service credit, the member shall pay the amount determined by the
24 Board pursuant to Section 913.5 of this title.

1 E. A member may receive credit for those years of service
2 accumulated by the member as an elected official if the member is
3 not receiving or eligible to receive retirement credit or benefits
4 from such service in any public retirement system. Prior to January
5 1, 1991, to receive the service credit, the member shall pay to the
6 Board for each year of service purchased pursuant to this subsection
7 a sum equal to the employee and employer contribution rate that
8 would have been applicable to the member as determined by the Board
9 and interest not to exceed five percent (5%), and effective January
10 1, 1991, to receive the service credit, the member shall pay the
11 amount determined by the Board pursuant to Section 913.5 of this
12 title.

13 F. Effective December 12, 1994, and thereafter, a leave of
14 absence on account of a period of qualified military service in the
15 uniformed services of the United States within the meaning of
16 Section 414(u)(5) of the ~~federal~~ Internal Revenue Code of 1986, as
17 amended, followed by a return to employment with the participating
18 employer within ninety (90) days after completion of the period of
19 service may be eligible for credited service under this System.
20 Notwithstanding any provision of this plan to the contrary,
21 contributions, benefits and service credit with respect to qualified
22 military service will be allowed in accordance with Section 414(u)
23 of the ~~federal~~ Internal Revenue Code of 1986, as amended.

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

- 5 a. the member is an active member of the Oklahoma Public
6 Employees Retirement System,
- 7 b. the member provides notice to the Teachers' Retirement
8 System of Oklahoma and the Oklahoma Public Employees
9 Retirement System of the member's election to transfer
10 such retirement credit. The notice shall include a
11 list of the years to be transferred, and
- 12 c. the member is not receiving or eligible to receive
13 retirement credit or benefits from such service in any
14 other public retirement system, notwithstanding the
15 years of service sought to be transferred under this
16 subsection.

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

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

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

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

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

1 product of this calculation for purposes of
2 determining the transfer fee to be paid by the
3 employee under subparagraph c of this paragraph
4 so long as it is greater than the product of the
5 calculation in this division, and

6 (2) determine the sum of the employee and employer
7 contributions applicable to the years of service
8 sought to be transferred plus interest consistent
9 with the actuarial assumptions adopted by the
10 Board of Trustees for purposes of preparing the
11 annual actuarial evaluation. For all nonvested
12 members, and for vested members if the product of
13 this calculation is greater than the product of
14 the calculation in division (1) of this
15 subparagraph, the sending system shall use the
16 product of this calculation for purposes of
17 determining the amount to be transferred by the
18 sending system under subparagraph c of this
19 paragraph and any transfer fee to be paid by the
20 members under subparagraph d of this paragraph.

21 b. Within thirty (30) days after notification of an
22 intent to transfer is received by the receiving
23 system, the receiving system shall determine,
24 according to the system's own rules and regulations,

1 the present value of the member's incremental
2 projected benefits discounted according to the
3 member's age at the time of the transfer. Incremental
4 projected benefits shall be the difference between the
5 projected benefit the member would receive without
6 transferring the service credit and the projected
7 benefit after transfer of service credit computed as
8 of the earliest age at which the member would be able
9 to retire. Such computation shall assume an unreduced
10 benefit and be computed using interest, salary
11 projections and mortality assumptions consistent with
12 the actuarial assumptions adopted by the Board of
13 Trustees for purposes of preparing the annual
14 actuarial evaluation.

15 c. The sending system shall, within sixty (60) days from
16 the date notification of an intent to transfer is
17 received by the sending system, transfer to the
18 receiving system the amount determined in subparagraph
19 a of this paragraph. Except, if the cost under
20 subparagraph a of this paragraph for the same years of
21 service to the sending system is greater than the
22 actuarial value of the incremental benefit in the
23 receiving system, as established in subparagraph b of
24 this paragraph, the sending system shall send the

1 receiving system an amount equal to the actuarial
2 value of the incremental projected benefit in the
3 receiving system.

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

- 12 (1) pay any difference to receive full credit for the
13 years sought to be transferred, or
14 (2) receive prorated service credit for only the
15 amount received from the Teachers' Retirement
16 System of Oklahoma pursuant to this subsection.

17 Such an election shall be made in writing, filed with
18 the System prior to receiving the credit provided for
19 in paragraph 1 of this subsection, and shall be
20 irrevocable.

21 3. Within sixty (60) days of successfully completing all of the
22 requirements for transfer under this subsection, the sending system
23 shall pay the receiving system any amount due under this subsection.
24 Within sixty (60) days of successfully completing all of the

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

20 4. Years of service transferred pursuant to this subsection
21 shall be used both in determining the member's retirement benefit
22 and in determining the years of service for retirement ~~and/or~~ and
23 vesting purposes. Years of service rendered as a member of the
24 Teachers' Retirement System of Oklahoma prior to July 1, 1992, if

1 any, shall be deemed to be years of service rendered as a member of
2 the Oklahoma Public Employees Retirement System prior to July 1,
3 1992, and shall qualify such person as a member of the Oklahoma
4 Public Employees Retirement System before July 1, 1992.

5 5. Notwithstanding the requirements of Section 17-104 of Title
6 70 of the Oklahoma Statutes, members electing to take advantage of
7 the transfer authorized by this subsection who have withdrawn their
8 contributions from the sending system shall remit to the sending
9 system the amount of the accumulated contributions the member has
10 withdrawn plus simple interest of ten percent (10%) per annum prior
11 to making such election or the election shall be deemed invalid and
12 the transfer shall be canceled. If such an election is deemed
13 invalid and the transfer is canceled, the accumulated contribution
14 remitted to the sending system by the member who originally withdrew
15 their contributions shall be returned to the member. The member's
16 rights and obligations regarding any service credit reestablished in
17 the sending system due to a failure to satisfy the requirements of
18 this subsection shall be determined by the sending system in
19 accordance with Section 17-101 et seq. of Title 70 of the Oklahoma
20 Statutes.

21 6. If any member fails for any reason to satisfy the
22 requirements of this subsection, the election to transfer retirement
23 credit shall be void and of no effect, and any retirement credited
24 as a result of this transfer shall be canceled. If such retirement

1 credit is canceled, the years of canceled retirement credit which
2 were unsuccessfully transferred to the receiving system from the
3 sending system shall be reestablished in the sending system. The
4 member's rights and obligations regarding any retirement credit
5 reestablished in the sending system due to a failure to satisfy the
6 requirements of this subsection shall be determined by the sending
7 system in accordance with Section 17-101 et seq. of Title 70 of the
8 Oklahoma Statutes.

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

11 H. 1. A member of the Teachers' Retirement System of Oklahoma
12 whose last service with the Teachers' Retirement System of Oklahoma
13 was with an entity or institution within The Oklahoma State System
14 of Higher Education, State Board of Education, State Board of Career
15 and Technology Education, Oklahoma Department of Career and
16 Technology Education, Oklahoma School of Science and Mathematics,
17 Oklahoma Center for the Advancement of Science and Technology, State
18 Department of Rehabilitation Services, Oklahoma State Regents for
19 Higher Education, Department of Corrections, State Department of
20 Education, Oklahoma Board of Private Vocational Schools, Board of
21 Regents of Oklahoma Colleges, Oklahoma Student Loan Authority, or
22 the Teachers' Retirement System of Oklahoma, may elect to receive
23 credit for those years of service accumulated by the member in the
24 Teachers' Retirement System of Oklahoma, pursuant to this

1 subsection. A member shall be eligible to elect to transfer credit
2 for such years of service from the Teachers' Retirement System of
3 Oklahoma to the Oklahoma Public Employees Retirement System if:

- 4 a. the member is an active member of the Oklahoma Public
5 Employees Retirement System,
- 6 b. the member provides notice to the Teachers' Retirement
7 System of Oklahoma and the Oklahoma Public Employees
8 Retirement System of the member's election to transfer
9 such retirement credit. The notice shall include a
10 list of the years to be transferred, and
- 11 c. the member is not receiving or eligible to receive
12 retirement credit or benefits from such service in any
13 other public retirement system, notwithstanding the
14 years of service sought to be transferred under this
15 subsection.

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

20 2. For purposes of this subsection, the ~~"sending system"~~
21 sending system shall mean the Teachers' Retirement System of
22 Oklahoma. The ~~"receiving system"~~ receiving system shall mean the
23 Oklahoma Public Employees Retirement System.

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

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

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

17 I. A member of the System in the employment of the Governor,
18 the Senate or the House of Representatives, on or after July 1,
19 1999, may make an election prior to December 31, 2000, which shall
20 be irrevocable and on a form prescribed for such purpose by the
21 System, to continue participation in the System upon becoming
22 employed by a participating employer of the Teachers' Retirement
23 System of Oklahoma. The Board shall promulgate all rules necessary
24 to implement the provisions of this subsection.

1 SECTION 3. This act shall become effective November 1, 2025.

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