

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. _____

COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend House Bill No. 2293, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Paxton

Paxton-CB-FS-Req#2110
4/20/2021 1:37 PM

(Floor Amendments Only) Date and Time Filed: _____

Untimely

Amendment Cycle Extended

Secondary Amendment

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

FLOOR SUBSTITUTE
FOR ENGROSSED

HOUSE BILL NO. 2293

By: Roberts (Dustin) of the
House

and

Paxton of the Senate

FLOOR SUBSTITUTE

[teacher retirement - definitions, contributions and
funds and service credits - regular annual
compensation]

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-101, as
last amended by Section 1, Chapter 114, O.S.L. 2014 (70 O.S. Supp.
2020, Section 17-101), is amended to read as follows:

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

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

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

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

1 Corrections as an instructor or counselor shall have been actively
2 engaged in the teaching profession for a period of not less than
3 three (3) years prior to employment to be eligible to participate in
4 the Oklahoma Teachers' Retirement System. The Department of
5 Corrections shall contribute the employer's share to the Oklahoma
6 Teachers' Retirement System.

7 (4) "Nonclassified optional personnel" shall include cooks,
8 janitors, maintenance personnel not in a supervisory capacity, bus
9 drivers, noncertified or nonregistered nurses, noncertified
10 librarians, and clerical employees of the public schools, state
11 colleges, universities or any state department, board, board of
12 regents or board of trustees, the functions of which are primarily
13 devoted to public education and whose salaries are paid wholly or in
14 part from public funds.

15 (5) "Employer" shall mean the state and any of its designated
16 agents or agencies with responsibility and authority for public
17 education, such as boards of education of elementary and independent
18 school districts, boards of regents, boards of control or any other
19 agency of and within the state by which a person may be employed for
20 service in public education. "Employer" shall also mean the board
21 of directors of a tuition free, nonprofit alternative school of
22 choice that provides education, therapeutic counseling and outreach
23 programs which is aligned with a school district and which receives
24 grant funds from governmental sources.

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

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

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

9 (9) "Prior service" shall mean service rendered prior to July
10 1, 1943.

11 (10) "Membership service" shall mean service as a member of the
12 classified or nonclassified personnel as defined in paragraphs (3)
13 and (4) of this section.

14 (11) "Creditable service" shall mean membership service plus
15 any prior service authorized under this title.

16 (12) "Annuitant" shall mean any person in receipt of a
17 retirement allowance as provided in this title.

18 (13) "Accumulated contributions" shall mean the sum of all
19 amounts deducted from the compensation of a member and credited to
20 his individual account in the Teacher Savings Fund, together with
21 interest as of June 30, 1968.

22 (14) "Earnable compensation" shall mean the full rate of the
23 compensation that would be payable to a member if he worked the full
24 normal working time.

1 (15) "Average salary":

- 2 (a) for those members who joined the System prior to July
3 1, 1992, shall mean the average of the salaries for
4 the three (3) years on which the highest contributions
5 to the Teachers' Retirement System was paid not to
6 exceed the maximum contribution level specified in
7 Section 17-116.2 of this title or the maximum
8 compensation level specified in ~~subsection~~ paragraph
9 (28) of this section. Provided, no member shall
10 retire with an average salary in excess of Twenty-five
11 Thousand Dollars (\$25,000.00) unless the member has
12 made the required election and paid the required
13 contributions on such salary in excess of Twenty-five
14 Thousand Dollars (\$25,000.00), or unless an eligible
15 member fulfills the requirements of Section 17-116.2C
16 of this title in order to have pre-cap removal service
17 included in the retirement benefit computation of the
18 member using the regular annual compensation of the
19 member for any pre-cap removal year of service so
20 included subject to the maximum average salary amount,
21 and
- 22 (b) for those members who join the System after June 30,
23 1992, shall mean the average of the salaries for five
24 (5) consecutive years on which the highest

1 contribution to the Teachers' Retirement System was
2 paid. Only salary on which required contributions
3 have been made may be used in computing average
4 salary.

5 (16) "Annuity" shall mean payments for life derived from the
6 "accumulated contributions" of a member. All annuities shall be
7 payable in equal monthly installments.

8 (17) "Pension" shall mean payments for life derived from money
9 provided by the employer. All pensions shall be payable in equal
10 monthly installments.

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

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

16 (20) "Actuary" shall mean a person especially skilled through
17 training and experience in financial calculation respecting the
18 expectancy and duration of life.

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

22 (22) The masculine pronoun, whenever used, shall include the
23 feminine.

1 (23) "Actuarially determined cost" shall mean the single sum
2 which is actuarially equivalent in value to a specified pension
3 amount as determined on the basis of mortality and interest
4 assumptions adopted by the Board of Trustees.

5 (24) "Normal retirement age" means the earliest date upon
6 which:

7 (a) a member reaches the age sixty-two (62) with respect
8 to a member whose first creditable service occurs
9 prior to November 1, 2011, unless the member reaches a
10 normal retirement date pursuant to subparagraph (c) or
11 subparagraph (d) of this paragraph, or

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

19 (c) the age at which the sum of a member's age and number
20 of years of creditable service total eighty (80), with
21 respect to a member whose first creditable service
22 occurred prior to July 1, 1992, and who does not reach
23 a normal retirement age pursuant to subparagraph (a)
24 of this paragraph, or

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

8 (25) "Regular annual compensation" means salary plus fringe
9 benefits, excluding the flexible benefit allowance pursuant to
10 Section 26-105 of this title and for purposes pursuant to Section
11 17-101 et seq. of this title. For purposes of this definition,
12 regular annual compensation shall include:

13 (a) salary which accrues on a regular basis in proportion
14 to the service performed, including payments for staff
15 development,

16 (b) amounts that would otherwise qualify as salary under
17 ~~paragraph~~ subparagraph (a) of this ~~subsection~~
18 paragraph but are not received directly by the member
19 pursuant to a good faith, voluntary written salary
20 reduction agreement in order to finance payments to a
21 deferred compensation or tax-sheltered annuity program
22 or to finance benefit options under a cafeteria plan
23 qualifying under the United States Internal Revenue
24 Code, 26 U.S.C., Section 101 et seq.,

1 (c) group health and disability insurance, group term life
2 insurance, annuities and pension plans, provided on a
3 periodic basis to all qualified employees of the
4 employer, which qualify as fringe benefits under the
5 United States Internal Revenue Code, and

6 (d) excluded from regular annual compensation are:

- 7 1. expense reimbursement payments,
- 8 2. office, vehicle, housing or other maintenance
9 allowances,
- 10 3. the flexible benefit allowance provided pursuant
11 to Section 26-105 of this title,
- 12 4. payment for unused vacation and sick leave,
- 13 5. any payment made for reason of termination or
14 retirement not specifically provided for in
15 subparagraphs (a) through (c) of this ~~subsection~~
16 paragraph,
- 17 6. maintenance or other nonmonetary compensation,
- 18 7. payment received as an independent contractor or
19 consultant, pursuant to a lawful contract which
20 complies with the requirements of subsection B of
21 Section 6-101.2 of this title,
- 22 8. any benefit payments not made pursuant to a valid
23 employment agreement,
- 24

- 1 9. compensation for clinical related activity
2 performed in the University of Oklahoma Health
3 Sciences Center (OUHSC) Professional Practice
4 Plan or Oklahoma State University Center for
5 Health Sciences (OSU-CHS) Professional Practice
6 Plan,
7 10. any other compensation not described in
8 subparagraphs (a) through (c) of this subsection,
9 11. compensation that is paid in whole by federal
10 funds or an externally sponsored agreement such
11 as a grant, contract or cooperative agreement and
12 received by a teacher for teaching during a
13 summer school program that is outside the scope
14 of employment of the teacher. For the purposes
15 of this division, "outside the scope of
16 employment" shall mean teaching performed by a
17 teacher that is not required by his or her
18 employment contract with the school district or
19 that would not ordinarily be required under such
20 an employment contract. "Summer school program"
21 shall mean school intended to service students in
22 a public school, as defined in this section, of
23 this state for the summer period between school
24 years.

1 (26) "Teacher" means classified personnel and nonclassified
2 optional personnel.

3 (27) "Active classroom teacher" means a person employed by a
4 school district to teach students specifically identified classes
5 for specifically identified subjects during the course of a
6 semester, and who holds a valid certificate or license issued by and
7 in accordance with the rules and regulations of the State Board of
8 Education.

9 (28) "Maximum compensation level" shall, except as otherwise
10 authorized pursuant to the provisions of Section 17-116.2C of this
11 title, mean:

12 (a) Twenty-five Thousand Dollars (\$25,000.00) for
13 creditable service authorized and performed prior to
14 July 1, 1995, for members not electing a higher
15 maximum compensation level,

16 (b) Forty Thousand Dollars (\$40,000.00) for creditable
17 service authorized and performed prior to July 1,
18 1995, for members electing a maximum compensation
19 level in excess of Twenty-five Thousand Dollars
20 (\$25,000.00),

21 (c) Twenty-seven Thousand Five Hundred Dollars
22 (\$27,500.00) for members who, as of June 30, 1995, had
23 elected to have a maximum compensation level not in
24 excess of Twenty-five Thousand Dollars (\$25,000.00),

1 and who were employed by an entity or institution
2 within The Oklahoma State System of Higher Education
3 for creditable service authorized and performed on or
4 after July 1, 1995, but not later than June 30, 1996,
5 if such member does not elect a higher maximum
6 compensation level for this period as authorized by
7 Section 17-116.2A of this title,

8 (d) Thirty-two Thousand Five Hundred Dollars (\$32,500.00)
9 for members employed by a comprehensive university if
10 the member meets the requirements imposed by Section
11 17-116.2A of this title and the member elects to
12 impose a higher maximum compensation level for service
13 performed on or after July 1, 1995, but not later than
14 June 30, 1996,

15 (e) Forty-four Thousand Dollars (\$44,000.00) for members
16 who, as of June 30, 1995, had elected to have a
17 maximum compensation level in excess of Twenty-five
18 Thousand Dollars (\$25,000.00), and who were employed
19 by an entity or institution within The Oklahoma State
20 System of Higher Education for creditable service
21 authorized and performed on or after July 1, 1995, but
22 not later than June 30, 1996, if such member does not
23 elect a higher maximum compensation level for this
24

1 period as authorized by Section 17-116.2A of this
2 title,

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

9 (g) the following amounts for creditable service
10 authorized and performed by members employed by a
11 comprehensive university, based upon the election of
12 the member in effect as of June 30, 1995:

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

16 (i) Thirty-two Thousand Five Hundred Dollars
17 (\$32,500.00) for service authorized and
18 performed on or after July 1, 1996, but not
19 later than June 30, 1997,

20 (ii) Thirty-seven Thousand Five Hundred Dollars
21 (\$37,500.00) for service authorized and
22 performed on or after July 1, 1997, but not
23 later than June 30, 1998,
24

- 1 (iii) Forty-two Thousand Five Hundred Dollars
2 (\$42,500.00) for service authorized and
3 performed on or after July 1, 1998, but not
4 later than June 30, 2000,
- 5 (iv) Forty-seven Thousand Five Hundred Dollars
6 (\$47,500.00) for service authorized and
7 performed on or after July 1, 2000, but not
8 later than June 30, 2001,
- 9 (v) Fifty-two Thousand Five Hundred Dollars
10 (\$52,500.00) for service authorized and
11 performed on or after July 1, 2001, but not
12 later than June 30, 2002,
- 13 (vi) Fifty-seven Thousand Five Hundred Dollars
14 (\$57,500.00) for service authorized and
15 performed on or after July 1, 2002, but not
16 later than June 30, 2003,
- 17 (vii) Sixty-two Thousand Five Hundred Dollars
18 (\$62,500.00) for service authorized and
19 performed on or after July 1, 2003, but not
20 later than June 30, 2004,
- 21 (viii) Sixty-seven Thousand Five Hundred Dollars
22 (\$67,500.00) for service authorized and
23 performed on or after July 1, 2004, but not
24 later than June 30, 2005,

1 (ix) Seventy-two Thousand Five Hundred Dollars
2 (\$72,500.00) for service authorized and
3 performed on or after July 1, 2005, but not
4 later than June 30, 2006,

5 (x) Seventy-seven Thousand Five Hundred Dollars
6 (\$77,500.00) for service authorized and
7 performed on or after July 1, 2006, but not
8 later than June 30, 2007,

9 (xi) the full amount of regular annual
10 compensation for service authorized and
11 performed on or after July 1, 2007, and

12 2. for members who elected a maximum compensation
13 level in excess of Twenty-five Thousand Dollars
14 (\$25,000.00):

15 (i) Forty-nine Thousand Dollars (\$49,000.00) for
16 service authorized and performed on or after
17 July 1, 1996, but not later than June 30,
18 1997,

19 (ii) Fifty-four Thousand Dollars (\$54,000.00) for
20 service authorized and performed on or after
21 July 1, 1997, but not later than June 30,
22 1998,

23 (iii) Fifty-nine Thousand Dollars (\$59,000.00) for
24 service authorized and performed on or after

1 July 1, 1998, but not later than June 30,
2 2000,

3 (iv) Sixty-four Thousand Dollars (\$64,000.00) for
4 service authorized and performed on or after
5 July 1, 2000, but not later than June 30,
6 2001,

7 (v) Sixty-nine Thousand Dollars (\$69,000.00) for
8 service authorized and performed on or after
9 July 1, 2001, but not later than June 30,
10 2002,

11 (vi) Seventy-four Thousand Dollars (\$74,000.00)
12 for service authorized and performed on or
13 after July 1, 2002, but not later than June
14 30, 2003,

15 (vii) Seventy-nine Thousand Dollars (\$79,000.00)
16 for service authorized and performed on or
17 after July 1, 2003, but not later than June
18 30, 2004,

19 (viii) Eighty-four Thousand Dollars (\$84,000.00)
20 for service authorized and performed on or
21 after July 1, 2004, but not later than June
22 30, 2005,

23 (ix) Eighty-nine Thousand Dollars (\$89,000.00)
24 for service authorized and performed on or

1 after July 1, 2005, but not later than June
2 30, 2006,

3 (x) Ninety-four Thousand Dollars (\$94,000.00)
4 for service authorized and performed on or
5 after July 1, 2006, but not later than June
6 30, 2007,

7 (xi) the full amount of regular annual
8 compensation for service authorized and
9 performed on or after July 1, 2007,

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

- 11 1. a member of the retirement system not employed by
12 an entity or institution within The Oklahoma
13 State System of Higher Education for all
14 creditable service authorized and performed on or
15 after July 1, 1995,
- 16 2. a member of the retirement system first employed
17 on or after July 1, 1995, by an entity or
18 institution within The Oklahoma State System of
19 Higher Education for all creditable service
20 authorized and performed on or after July 1,
21 1995, but not later than June 30, 1996,
- 22 3. a member of the retirement system employed by an
23 entity or institution within The Oklahoma State
24 System of Higher Education, other than a

1 comprehensive university, if the member elects to
2 impose a higher maximum compensation level for
3 service performed on or after July 1, 1995, but
4 not later than June 30, 1996, pursuant to
5 subsection B of Section 17-116.2A of this title,

6 4. a member of the retirement system who is first
7 employed on or after July 1, 1996, by any entity
8 or institution within The Oklahoma State System
9 of Higher Education, including a comprehensive
10 university, for creditable service authorized and
11 performed on or after July 1, 1996,

12 5. a member of the retirement system who, as of July
13 1, 1996, is subject to a maximum compensation
14 level pursuant to ~~paragraph~~ subparagraph (g) of
15 this ~~subsection~~ paragraph if the member
16 terminates service with a comprehensive
17 university and is subsequently reemployed by a
18 comprehensive university,

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

22 7. an eligible member of the retirement system who
23 fulfills the requirements of ~~Section 2 of this~~
24 ~~act~~ Section 17-116.2C of this title with respect

1 to pre-cap removal service included in the
2 retirement benefit computation of the member at
3 the average salary of the member subject to the
4 maximum average salary amount.

5 (29) "Comprehensive university" shall mean:

6 (a) the University of Oklahoma and all of its constituent
7 agencies, including the University of Oklahoma Health
8 Sciences Center, the University of Oklahoma Law Center
9 and the Geological Survey, and

10 (b) Oklahoma State University and all of its constituent
11 agencies, including the Oklahoma State University
12 Agricultural Experiment Station, the Oklahoma State
13 University Agricultural Extension Division, the
14 Oklahoma State University College of Veterinary
15 Medicine, the Oklahoma State University Center for
16 Health Sciences, the Technical Branch at Oklahoma
17 City, the Oklahoma State University Institute of
18 Technology-Okmulgee and Oklahoma State University-
19 Tulsa.

20 (30) "Retirement contract" means the document prepared by the
21 Teachers' Retirement System upon member request, which incorporates
22 member's selected retirement option, and which must be executed and
23 submitted to the Teachers' Retirement System no less than thirty
24 (30) days prior to the projected retirement date.

1 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-108, is
2 amended to read as follows:

3 Section 17-108. A. Each local school district, or state
4 college or university, or State Board of Education or State Board of
5 Career and Technology Education, or other state agencies whose
6 employees are members of the Teachers' Retirement System shall match
7 on a pro rata basis, in accordance with subsection B of this section
8 the contributions of members whose salaries are paid by federal
9 funds or externally sponsored agreements such as grants, contracts
10 and cooperative agreements, subject to the exclusion provided in
11 Section 1 of this act. These funds shall be remitted at the same
12 time as the regular contributions of members are remitted to the
13 Teachers' Retirement System of Oklahoma and deposited in the
14 Retirement Benefit Fund.

15 B. On an annual basis, the Board of Trustees shall set the
16 contribution rate to be paid by contributing employers as provided
17 in subsection A of this section. The contribution rate shall be
18 determined using cost principles established by federal regulations
19 and shall be consistent with policies, regulations and procedures
20 that apply uniformly to both federally assisted and other
21 activities, and be accorded consistent treatment through application
22 of generally accepted accounting principles. The Board shall
23 approve the contribution rate for each fiscal year ending June 30,
24 no later than April 1 of the previous fiscal year.

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

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

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

13 2. The deductions provided for in the plans within the
14 retirement system shall be made notwithstanding that the minimum
15 compensation provided for any member shall be reduced thereby.
16 Every member shall be deemed to consent and agree to the deductions
17 made and provided for herein and payment of salary or compensation,
18 less the deduction, shall be a full and complete discharge and
19 acquittance of all claims and demands whatsoever for the services
20 rendered by such person during the period covered by such payment,
21 except as to the benefits provided under ~~this act~~ Section 17-101 et
22 seq. of this title. The employer shall certify to the Board of
23 Trustees on each and every payroll, or in such other manner as the
24 Board may prescribe, the amounts to be deducted, and each of the

1 amounts shall be deducted, and when deducted shall be paid into the
2 Teachers' Savings Fund, and shall be credited to the individual
3 account of the member from whose compensation the deduction was
4 made.

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

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

17 5. Retirement Benefit Fund.

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

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

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

- 1 c. From the Retirement Benefit Fund shall be paid all
2 monthly retirement benefits.
- 3 d. At the death of a retired member who has retired under
4 the Maximum Plan of Retirement, Option 1 or Option 4,
5 the balance of money the member has in the Teachers'
6 Savings Fund shall be transferred to the Retirement
7 Benefit Fund and the amount due the beneficiary or his
8 or her estate under Option 1 or Option 4 shall be paid
9 from the Retirement Benefit Fund.
- 10 e. At the death of both a retired member and the retired
11 member's spouse, who had retired under Option 2 or 3,
12 any balance in the Teachers' Savings Fund shall be
13 transferred from the Teachers' Savings Fund to the
14 Retirement Benefit Fund.
- 15 f. At the death of a retired member who had retired under
16 Option 5, the balance of any monies the member had in
17 the Teachers' Savings Fund shall be transferred to the
18 Retirement Benefit Fund for the purpose of making a
19 lump-sum settlement to the beneficiary or his estate.
20 Providing that if the surviving spouse elects to
21 receive the balance under the Maximum Plan of
22 Retirement or Option 1 the member's money, if any, on
23 a monthly basis, constituting actuarial equivalent of
24 two (2) years' payments, and each year thereafter the

1 annual actuarial equivalent, shall be transferred from
2 the Teachers' Savings Fund for the purpose of paying
3 monthly retirement benefits to the spouse under this
4 option.

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

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

18 8. The Expense Fund shall be the fund from which the expense of
19 administration and maintenance of the retirement system shall be
20 paid. The Board of Trustees shall cause to be prepared and adopt
21 annually an itemized budget showing the amount required to defray
22 the expenses for the ensuing fiscal year.

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

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

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

13 10. Teachers' Deposit Fund.

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

1 accumulates in the Teachers' Deposit Fund, not including interest,
2 may be used to pay distributions in the case of hardship as provided
3 in Section 403(b)(11) of the Internal Revenue Code of 1986, as
4 amended, and applicable federal regulations.

5 11. Collection of Contributions.

6 The collection of members' contributions shall be as
7 follows:

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

20 (2) The treasurer or disbursing officer upon delivery
21 of the warrants and a true copy of the payroll or
22 claims as provided above shall register the
23 warrants as provided for the registration of
24 other school warrants, and shall deliver to the

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

- 22 (3) For the purpose of enabling the collection of the
23 contributions of the members of the retirement
24 system to be made as simple as possible, the

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

- 14 (4) The State Treasurer shall furnish annually to the
15 Board of Trustees a sworn statement of the amount
16 of the funds in his or her custody belonging to
17 the retirement system. The records of the Board
18 of Trustees shall be open to public inspection
19 and any member of the retirement system shall be
20 furnished with a statement of the amount of the
21 credit to his or her individual account upon
22 written request by such member, provided the
23 Board of Trustees shall not be required to answer
24

1 more than one such request of a member in any one
2 (1) year.

3 (5) Failure of any superintendent, officer, or other
4 person to discharge the duties imposed upon him
5 or her by ~~this act~~ Section 17-101 et seq. of this
6 title shall render him or her or his or her
7 bondsman liable for any loss occasioned thereby
8 to the Teachers' Retirement System or the
9 employees of the school district, or both.

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

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

5 12. Rollover Contributions and Direct Trustee-to-Trustee
6 Transfers from Other Plans.

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

18 13. Retiree Medical Benefit Fund.

19 The Retiree Medical Benefit Fund shall be maintained as a
20 subaccount under the Retirement Benefit Fund. The Retiree Medical
21 Benefit Fund is composed of all assets contributed to this
22 subaccount to pay the retirement system's portion of the monthly
23 retiree health insurance benefits described in Section 1316.3 of
24 Title 74 of the Oklahoma Statutes. All allocated assets and the

1 earnings thereon in the Retiree Medical Benefit Fund shall be held
2 for the exclusive purpose of providing retiree medical benefits
3 pursuant to Section 1316.3 of Title 74 of the Oklahoma Statutes.
4 The Retiree Medical Benefit Fund shall be administered in accordance
5 with the requirements under Section 401(h) of the Internal Revenue
6 Code of 1986, as amended from time to time. An amount necessary to
7 pay the health insurance premiums for retired members as provided by
8 Section 1316.3 of Title 74 of the Oklahoma Statutes shall be
9 deposited each month into the Retiree Medical Benefit Fund.

10 SECTION 3. AMENDATORY 70 O.S. 2011, Section 17-116.2, as
11 last amended by Section 1, Chapter 250, O.S.L. 2015 (70 O.S. Supp.
12 2020, Section 17-116.2), is 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 earning ceiling as
6 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 compensation as provided for in subsection B or subsection C of this
22 section.

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

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

1 government. Years for which contributions are paid shall count as
2 membership service under this plan. A member may receive credit for
3 not more than five (5) years of teaching service rendered while in
4 the Peace Corps or in the public schools of a territory of the
5 United States or the public schools, American Military Dependent
6 Schools or state colleges or state universities outside this state
7 by paying his or her contributions, plus interest, and membership
8 fees to the retirement system, subject to the regulations of the
9 Board of Trustees, providing he or she is not receiving and is not
10 eligible to receive retirement credit or benefits from ~~said~~ the
11 service in any other public retirement system of this state, or any
12 other state or territory of the United States subject to the
13 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~~ the contributions on the basis of the rate of pay in his or
19 her contract as a teacher at the time his or her service in the
20 Armed Forces commenced or in the case of a teacher who was not
21 teaching prior to entering the Armed Forces, on the basis of the
22 salary of the first year of teaching after being honorably
23 discharged from the Armed Forces. Effective January 1, 1991, the
24 member will receive such service upon payment of the amount

1 determined by the Board of Trustees pursuant to Section 17-116.8 of
2 this title. Such contributions shall be credited in the regular
3 manner, and the period for which ~~said~~ the contributions were paid
4 shall be counted as creditable years of service and allocated to the
5 period during which the military service was rendered, except that
6 the period for which contributions were paid must have been
7 continuous and shall be credited in the aggregate, regardless of
8 fiscal year limitations. Notwithstanding any provision herein to
9 the contrary, contributions, benefits and service credit with
10 respect to qualified military service as defined by Section 414(u)
11 of the Internal Revenue Code of 1986 shall be provided in accordance
12 with Section 414(u) of the 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~~ July 20, 1987, 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~~ the members as provided for in this section and
12 his or her service credits shall continue to be accumulated during
13 such absence, provided he or she is not receiving retirement credits
14 or benefits from ~~said~~ the service beginning after July 1, 1992, in
15 other 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~~ the members as provided for in this section
11 and his or her service credits shall continue to be accumulated
12 during such absence. Provided, however, any one such absence shall
13 not exceed twelve (12) continuous years. No member who has less
14 than ten (10) years of contributory service on July 1, 1994, may
15 make 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~~ the
4 service in any other public retirement system. A member also may
5 receive credit for those years of service with the Department of
6 Wildlife Conservation or with an employer that is a participating
7 employer within one of the state retirement systems specifically
8 referred to in this section when at the time of such service by the
9 member the employer was not such a participating employer, if the
10 member is not receiving or eligible to receive retirement credit or
11 benefits from ~~said~~ the service in any other public retirement
12 system. To receive the service credit provided in this subsection,
13 the member shall pay the amount determined by the Board of Trustees
14 pursuant to Section 17-116.8 of this title. For purposes of this
15 subsection, creditable service transferred from the Oklahoma Public
16 Employees Retirement System shall include service authorized under
17 paragraph (f) of subsection (2) of Section 913 of Title 74 of the
18 Oklahoma Statutes as amended from time to time. Members who retire
19 prior to July 1, 1993, shall have their monthly benefit adjusted to
20 include all services accrued under paragraph (f) of subsection (2)
21 of Section 913 of Title 74 of the Oklahoma Statutes. Provided
22 however, any adjustment of existing retirement benefits caused by
23 reason of inclusion of such service authorized under paragraph (f)
24 of subsection (2) of Section 913 of Title 74 of the Oklahoma

1 Statutes shall not affect any retirement benefit paid prior to July
2 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~~ the 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~~ the service in
16 any other public retirement system, notwithstanding
17 the years of service sought to be transferred under
18 this 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~~ the service in any other public
22 retirement system shall have all service credit with the Oklahoma
23 Public Employees Retirement System canceled which is not transferred
24 to the Teachers' Retirement System of Oklahoma or used as a cash

1 offset in such a transfer pursuant to subparagraph d of paragraph 2
2 of this subsection. Service credit transferred to the Teachers'
3 Retirement System of Oklahoma under this subsection shall also be
4 canceled with 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 the member would receive without transferring the
13 service credit and the projected benefit after
14 transfer of service credit computed as of the earliest
15 age at 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~~ the member, his or her
21 estate or successor in interest within six (6) months after ~~said~~ the
22 member's death, termination of employment or retirement, provided no
23 retirement benefits shall be payable until the unpaid balance is
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1 paid, unless ~~said~~ the 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~~ the 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

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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 R. A teacher who taught during a summer school program pursuant
11 to Section 1 of this act shall not receive service credit pursuant
12 to this section for such teaching.

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