

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE BILL 257

By: Brecheen

AS INTRODUCED

An Act relating to teacher retirement; amending 70 O.S. 2011, Section 17-101, as last amended by Section 1, Chapter 114, O.S.L. 2014 (70 O.S. Supp. 2014, Section 17-101), which relates to the Oklahoma Teachers' Retirement System; modifying definition of membership service; amending 70 O.S. 2011, Section 17-116.2, as last amended by Section 3, Chapter 101, O.S.L. 2013 (70 O.S. Supp. 2014, Section 17-116.2), which relates to the Oklahoma Teachers' Retirement System; requiring certain leave to count as creditable service; and providing an effective date.

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. 2014, Section 17-101), is amended to read as follows:

Section 17-101. The following words and phrases as used in this act, 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 and shall include all sick leave and
14 personal business leave provided for in Sections 6-104 and 6-104.1
15 of this title when utilized by a member of the Oklahoma Teachers'
16 Retirement System as defined in this section and Section 17-103 of
17 this title, regardless of whether a member received reduced pay for
18 using this leave.

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

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

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

1 his individual account in the Teacher Savings Fund, together with
2 interest as of June 30, 1968.

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

6 (15) "Average salary":

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (b) a member reaches the age of sixty-five (65) with
18 respect to a member whose first creditable service
19 occurs on or after November 1, 2011, or with respect
20 to a member whose first creditable service occurs on
21 or after November 1, 2011, reaches a normal retirement
22 date pursuant to subparagraph (d) of this paragraph
23 having attained a minimum age of sixty (60) years, or
24

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

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

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

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

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

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

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

12 (d) excluded from regular annual compensation are:

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

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

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

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

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

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

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

21 (28) "Maximum compensation level" shall, except as otherwise
22 authorized pursuant to the provisions of Section 17-116.2C of this
23 title, mean:
24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

12 7. an eligible member of the retirement system who
13 fulfills the requirements of Section 2 of this
14 act with respect to pre-cap removal service
15 included in the retirement benefit computation of
16 the member at the average salary of the member
17 subject to the maximum average salary amount.

18 (29) "Comprehensive university" shall mean:

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

23 (b) Oklahoma State University and all of its constituent
24 agencies, including the Oklahoma State University

1 Agricultural Experiment Station, the Oklahoma State
2 University Agricultural Extension Division, the
3 Oklahoma State University College of Veterinary
4 Medicine, the Oklahoma State University Center for
5 Health Sciences, the Technical Branch at Oklahoma
6 City, the Oklahoma State University Institute of
7 Technology-Okmulgee and Oklahoma State University-
8 Tulsa.

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

14 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-116.2, as
15 last amended by Section 3, Chapter 101, O.S.L. 2013 (70 O.S. Supp.
16 2014, Section 17-116.2), is amended to read as follows:

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

1 A classified member who retired prior to July 1, 1986, shall
2 have the member's retirement allowance calculated on a minimum
3 average salary of Eleven Thousand Five Hundred Dollars (\$11,500.00)
4 or on the member's current minimum average salary plus Two Thousand
5 Dollars (\$2,000.00), whichever is greater. Beginning July 1, 1994,
6 a classified member who retired prior to July 1, 1993, shall have
7 the member's retirement allowance calculated on the member's current
8 minimum average salary plus Five Hundred Fifty Dollars (\$550.00).
9 An unclassified member who retired prior to July 1, 1986, shall have
10 the member's retirement allowance calculated on a minimum average
11 salary of Nine Thousand Five Hundred Dollars (\$9,500.00) or on the
12 member's current minimum average salary plus One Thousand Dollars
13 (\$1,000.00), whichever is greater. Beginning July 1, 1994, an
14 unclassified member who retired prior to July 1, 1993, shall have
15 the member's retirement allowance calculated on the member's current
16 minimum average salary plus Two Hundred Seventy-five Dollars
17 (\$275.00). Those individuals receiving benefits pursuant to
18 subsection (3) of Section 17-105 of this title whose benefits
19 commenced prior to July 1, 1993, shall receive an increase in
20 benefits of two and one-half percent (2 1/2%). No retirement
21 benefit payments shall be made retroactively.

22 For those members retiring before normal retirement age, except
23 for those members retiring because of a disability, the retirement
24

1 allowance shall be subject to adjustment in accordance with the
2 actuarial equivalent factors adopted by the Board of Trustees.

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

- 9 a. if the member becomes a member after June 30, 1995,
10 and was not eligible to become a member prior to July
11 1, 1995, in an amount equal to two percent (2%) of the
12 member's average salary upon which member
13 contributions were made, multiplied by the number of
14 the member's years of creditable service, or
- 15 b. if the member became a member or is eligible to become
16 a member prior to July 1, 1995, and elected to have a
17 maximum compensation level in excess of Twenty-five
18 Thousand Dollars (\$25,000.00) pursuant to paragraph 1
19 of subsection C of this section or pursuant to
20 subsection E of this section, or if the member's
21 salary has never exceeded Twenty-five Thousand Dollars
22 (\$25,000.00) prior to July 1, 1995, in an amount equal
23 to:

24

1 (1) two percent (2%) of the member's average salary
2 upon which member contributions were made not to
3 exceed Forty Thousand Dollars (\$40,000.00),
4 multiplied by the number of the member's years of
5 credited service authorized and performed prior
6 to July 1, 1995, plus any years of prior service
7 authorized under this title, plus

8 (2) two percent (2%) of the member's average salary
9 upon which member contributions were made,
10 multiplied by the number of the member's years of
11 credited service authorized and performed after
12 June 30, 1995, or

13 c. if the member became a member or is eligible to become
14 a member prior to July 1, 1995, and was eligible to
15 elect to have a maximum compensation level in excess
16 of Twenty-five Thousand Dollars (\$25,000.00) and did
17 not elect or elected not to have a maximum
18 compensation level of Forty Thousand Dollars
19 (\$40,000.00) pursuant to paragraph 1 of subsection C
20 of this section or pursuant to subsection E of this
21 section, in an amount equal to:

22 (1) two percent (2%) of the member's average salary
23 upon which member contributions were made not to
24 exceed Twenty-five Thousand Dollars (\$25,000.00),

1 multiplied by the number of the member's years of
2 credited service authorized and performed prior
3 to July 1, 1995, plus any years of prior service
4 authorized under this title, plus

5 (2) two percent (2%) of the member's average salary
6 upon which member contributions were made,
7 multiplied by the number of the member's years of
8 credited service authorized and performed after
9 June 30, 1995.

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

12 1. Beginning July 1, 1992, through June 30, 1996, six percent
13 (6%) of the regular annual compensation of such member not in excess
14 of Twenty-five Thousand Dollars (\$25,000.00) and beginning July 1,
15 1995, through June 30, 1996, six percent (6%) of the maximum
16 compensation level; and

17 2. Beginning July 1, 1996, through June 30, 1997, six and one-
18 half percent (6 1/2%) of the regular annual compensation of members,
19 who are not employed by an entity or institution within The Oklahoma
20 State System of Higher Education not in excess of Twenty-five
21 Thousand Dollars (\$25,000.00) and beginning July 1, 1996, through
22 June 30, 1997, six and one-half percent (6 1/2%) of the regular
23 annual compensation of members, who are employed by an entity or
24

1 institution within The Oklahoma State System of Higher Education,
2 not in excess of Twenty-five Thousand Dollars (\$25,000.00);

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

6 4. All public schools in this state shall treat the employee
7 contributions as being picked-up under the provisions of Section 414
8 (h) (2) of the Internal Revenue Code of 1986 in determining tax
9 treatment.

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

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

1 b. beginning July 1, 1993, through June 30, 1994, nine
2 percent (9%) of the regular annual compensation of
3 such member that is in excess of Twenty-five Thousand
4 Dollars (\$25,000.00) and is not in excess of Forty
5 Thousand Dollars (\$40,000.00), and

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

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

1 but not in excess of any applicable maximum compensation level of
2 the member.

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

20 2. Any changes made pursuant to this subsection shall be
21 irrevocable.

22 E. 1. An individual who withdrew from the Teachers' Retirement
23 System and whose salary was in excess of Seven Thousand Eight
24 Hundred Dollars (\$7,800.00) and had elected to contribute only on

1 Seven Thousand Eight Hundred Dollars (\$7,800.00) before his or her
2 withdrawal shall contribute on the earning ceiling as provided for
3 in this section on his or her reentry into membership in the
4 Teachers' Retirement System.

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

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

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

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

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

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

1 performed, plus interest, on the basis of what his or
2 her annual salary would have been in Oklahoma or out
3 of state, whichever is greater, had he or she been
4 employed as a teacher. Effective January 1, 1991, the
5 Peace Corps, territorial, out-of-state or noncovered
6 in-state payment shall be the amount determined by the
7 Board of Trustees pursuant to Section 17-116.8 of this
8 title.

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

1 Armed Forces. Effective January 1, 1991, the member will receive
2 such service upon payment of the amount determined by the Board of
3 Trustees pursuant to Section 17-116.8 of this title. Such
4 contributions shall be credited in the regular manner, and the
5 period for which said contributions were paid shall be counted as
6 creditable years of service and allocated to the period during which
7 the military service was rendered, except that the period for which
8 contributions were paid must have been continuous and shall be
9 credited in the aggregate, regardless of fiscal year limitations.
10 Notwithstanding any provision herein to the contrary, contributions,
11 benefits and service credit with respect to qualified military
12 service as defined by Section 414(u) of the Internal Revenue Code of
13 1986, shall be provided in accordance with Section 414(u) of the
14 Internal Revenue Code.

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

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

1 year of credit received in this section shall be treated as service
2 earned prior to July 1, 1995. This subsection shall apply to
3 members retiring or vesting on or after the effective date of this
4 act and shall not be retroactive.

5 2. Effective July 1, 2015, the total creditable service of a
6 member who retires or terminates employment shall include credit for
7 all sick leave and personal business leave provided for in Sections
8 6-104 and 601-104.1 of this title which has been utilized by the
9 member, regardless of whether a member received reduced pay for
10 using leave.

11 H. Any member who:

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

24

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

1 period of time represented by the transferred employee contributions
2 as creditable service within the meaning of Section 17-101 of this
3 title. After the transfer of the employee contributions, the
4 Oklahoma Public Employees Retirement System shall cancel any service
5 credit previously accumulated for the period of time represented by
6 such transferred employee contributions. Any person who makes the
7 election provided for by this paragraph, and who continues
8 employment with the Oklahoma Commission for Teacher Preparation on
9 or after July 1, 2002, shall continue to accrue service credit in
10 the Teachers' Retirement System of Oklahoma. The employer shall
11 make employer contributions according to the requirements of Section
12 17-108.1 of this title and shall provide for the deduction of
13 employee contributions as required by this section.

14 I. Any member who shall be absent from the teaching service
15 because of election or appointment as a local, state or national
16 education association officer, prior to January 1, 2011, shall be
17 allowed to retain his or her membership in the Teachers' Retirement
18 System upon payment of the contribution required of other members
19 and employers of said members as provided for in this section and
20 his or her service credits shall continue to be accumulated during
21 such absence. Provided, however, any one such absence shall not
22 exceed twelve (12) continuous years. No member who has less than
23 ten (10) years of contributory service on July 1, 1994, may make
24 this election after June 30, 1994. Members contributing to the

1 System on July 1, 1994, may continue to contribute under this
2 subsection until they have completed eight (8) years allowed by this
3 subsection. The member may file for retirement when otherwise
4 eligible for retirement as provided by Section 17-105 of this title.

5 J. A member may receive credit for those years of service
6 accumulated by the member while employed by an entity which is a
7 participating employer in the Oklahoma Firefighters Pension and
8 Retirement System, the Oklahoma Police Pension and Retirement
9 System, the Uniform Retirement System for Justices and Judges, the
10 Oklahoma Law Enforcement Retirement System, or the Oklahoma Public
11 Employees Retirement System, if the member is not receiving or
12 eligible to receive retirement credit or benefits from said service
13 in any other public retirement system. A member also may receive
14 credit for those years of service with the Department of Wildlife
15 Conservation or with an employer that is a participating employer
16 within one of the state retirement systems specifically referred to
17 in this section when at the time of such service by the member the
18 employer was not such a participating employer, if the member is not
19 receiving or eligible to receive retirement credit or benefits from
20 said service in any other public retirement system. To receive the
21 service credit provided in this subsection, the member shall pay the
22 amount determined by the Board of Trustees pursuant to Section 17-
23 116.8 of this title. For purposes of this subsection, creditable
24 service transferred from the Oklahoma Public Employees Retirement

1 System shall include service authorized under paragraph ~~(f)~~ 6 of
2 subsection ~~(2)~~ B of Section 913 of Title 74 of the Oklahoma Statutes
3 as amended from time to time. Members who retire prior to July 1,
4 1993, shall have their monthly benefit adjusted to include all
5 services accrued under paragraph ~~(f)~~ 6 of subsection ~~(2)~~ B of
6 Section 913 of Title 74 of the Oklahoma Statutes. Provided however,
7 any adjustment of existing retirement benefits caused by reason of
8 inclusion of such service authorized under paragraph ~~(f)~~ 6 of
9 subsection ~~(2)~~ B of Section 913 of Title 74 of the Oklahoma Statutes
10 shall not affect any retirement benefit paid prior to July 1, 1993.

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

- 15 a. the member is an active member of the Teachers'
16 Retirement System of Oklahoma, and
- 17 b. the member provides notice to the Oklahoma Public
18 Employees Retirement System and the Teachers'
19 Retirement System of Oklahoma of the member's election
20 to transfer said service credit. The notice shall
21 include a list of the years to be transferred, and
- 22 c. the member is not receiving or eligible to receive
23 retirement credit or benefits from said service in any
24 other public retirement system, notwithstanding the

1 years of service sought to be transferred under this
2 subsection.

3 Members electing to take advantage of the transfer authorized by
4 this subsection who are receiving or eligible to receive retirement
5 credit or benefits from said service in any other public retirement
6 system shall have all service credit with the Oklahoma Public
7 Employees Retirement System canceled which is not transferred to the
8 Teachers' Retirement System of Oklahoma or used as a cash offset in
9 such a transfer pursuant to subparagraph d of paragraph 2 of this
10 subsection. Service credit transferred to the Teachers' Retirement
11 System of Oklahoma under this subsection shall also be canceled with
12 the Oklahoma Public Employees Retirement System.

13 2. For purposes of this subsection, the "sending system" shall
14 mean the Oklahoma Public Employees Retirement System. The
15 "receiving system" shall mean the Teachers' Retirement System of
16 Oklahoma.

17 a. Within thirty (30) days notification of an intent to
18 transfer is received by the sending system, the
19 sending system shall, according to its own rules and
20 regulations:

21 (1) for members who have accrued at least eight (8)
22 years of credited service with the sending
23 system, determine the present value of the
24 member's earned benefits attributable to the

1 years of service sought to be transferred,
2 discounted according to the member's age at the
3 time of transfer and computed as of the earliest
4 age at which the member would be able to retire.
5 Said computation shall assume an unreduced
6 benefit and be computed using interest and
7 mortality assumptions consistent with the
8 actuarial assumptions adopted by the Board of
9 Trustees for purposes of preparing the annual
10 actuarial evaluation, but shall not make any
11 projections regarding future salary. For
12 employees who have accrued at least eight (8)
13 years of credited service, the sending system
14 shall use the product of this calculation for
15 purposes of determining the transfer fee to be
16 paid by the employee under subparagraph c of this
17 paragraph so long as it is greater than the
18 product of the calculation in division (2) of
19 this subparagraph, and

- 20 (2) determine the sum of the employee and employer
21 contributions applicable to the years of service
22 sought to be transferred plus interest consistent
23 with the actuarial assumptions adopted by the
24 Board of Trustees for purposes of preparing the

1 annual actuarial evaluation. For all non-vested
2 members, and for members who have accrued at
3 least eight (8) years of credited service, if the
4 product of this calculation is greater than the
5 product of the calculation in division (1) of
6 this subparagraph, the sending system shall use
7 the product of this calculation for purposes of
8 determining the amount to be transferred by the
9 sending system under subparagraph c of this
10 paragraph and any transfer fee to be paid by the
11 member under subparagraph d of this paragraph.

- 12 b. Within thirty (30) days notification of an intent to
13 transfer is received by the receiving system, the
14 receiving system shall determine, according to the
15 system's own rules and regulations, the present value
16 of the member's incremental projected benefits
17 discounted according to the member's age at the time
18 of the transfer. Incremental projected benefits shall
19 be the difference between the projected benefit said
20 member would receive without transferring the service
21 credit and the projected benefit after transfer of
22 service credit computed as of the earliest age at
23 which the member would be able to retire. Said
24 computation shall assume an unreduced benefit and be

1 computed using interest, salary projections and
2 mortality assumptions consistent with the actuarial
3 assumptions adopted by the Board of Trustees for
4 purposes of preparing the annual actuarial evaluation.

5 c. The sending system shall, within sixty (60) days from
6 the date notification of an intent to transfer is
7 received by the sending system, transfer to the
8 receiving system the amount determined in subparagraph
9 a of this paragraph. Except if the cost as calculated
10 under subparagraph a of this paragraph is greater than
11 the actuarial value of the incremental benefit in the
12 receiving system, as established in subparagraph b of
13 this paragraph, the sending system shall send the
14 receiving system an amount equal to the actuarial
15 value of the incremental projected benefit in the
16 receiving system.

17 d. In order to receive the credit provided for in
18 paragraph 1 of this subsection, if the cost of the
19 actuarial value of the incremental benefit to the
20 receiving system is greater than the cost as
21 calculated under subparagraph a of this paragraph for
22 the same years of service to the sending system as
23 established in subparagraphs a and b of this
24 paragraph, the employee shall elect to:

- 1 (1) pay any difference to receive full credit for the
2 years sought to be transferred, or
3 (2) receive prorated service credit for only the
4 amount received from the Oklahoma Public
5 Employees Retirement System pursuant to this
6 subsection.

7 Such an election shall be made in writing, filed with
8 the System prior to receiving the credit provided for
9 in paragraph 1 of this subsection, and shall be
10 irrevocable.

11 3. Within sixty (60) days of successfully completing all of the
12 requirements for transfer under this subsection, the sending system
13 shall pay the receiving system any amount due under this subsection.
14 Within sixty (60) days of successfully completing all of the
15 requirements for transfer under this subsection, the member shall
16 pay the receiving system any amount due under this subsection. In
17 the event that the member is unable to pay the transfer fee provided
18 for in this subsection by the due date, the Board of Trustees of the
19 receiving system shall permit the member to amortize the transfer
20 fee over a period not to exceed sixty (60) months. Said payments
21 shall be made by payroll deductions unless the Board of Trustees
22 permits an alternate payment source. The amortization shall include
23 interest in an amount not to exceed the actuarially assumed interest
24 rate adopted by the Board of Trustees for investment earnings each

1 year. Any member who ceases to make payment, terminates, retires or
2 dies before completing the payments provided for in this section
3 shall receive prorated service credit for only those payments made,
4 unless the unpaid balance is paid by said member, his or her estate
5 or successor in interest within six (6) months after said member's
6 death, termination of employment or retirement, provided no
7 retirement benefits shall be payable until the unpaid balance is
8 paid, unless said member or beneficiary affirmatively waives the
9 additional six-month period in which to pay the unpaid balance.

10 4. Years of service transferred pursuant to this subsection
11 shall be used both in determining the member's retirement benefit
12 and in determining the years of service for retirement and/or
13 vesting purposes. Years of service rendered as a member of the
14 Oklahoma Public Employees Retirement System prior to July 1, 1992,
15 if any, shall be deemed to be years of service rendered as a member
16 of the Teachers' Retirement System of Oklahoma prior to July 1,
17 1992, and shall qualify such person as a member of the Teachers'
18 Retirement System of Oklahoma before July 1, 1992.

19 5. Notwithstanding the requirements of subsection (5) of
20 Section 917 of Title 74 of the Oklahoma Statutes, members electing
21 to take advantage of the transfer authorized by this subsection who
22 have withdrawn their contributions from the sending system shall
23 remit to the sending system the amount of the accumulated
24 contributions the member has withdrawn plus simple interest of ten

1 percent (10%) per annum prior to making said election or the
2 election shall be deemed invalid and the transfer shall be canceled.
3 If such an election is deemed invalid and the transfer is canceled,
4 the accumulated contribution remitted to the sending system by the
5 member who originally withdrew their contributions shall be returned
6 to the member. The member's rights and obligations regarding any
7 service credit reestablished in the sending system due to a failure
8 to satisfy the requirements of this subsection shall be determined
9 by the sending system in accordance with Section 901 et seq. of
10 Title 74 of the Oklahoma Statutes.

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

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

1 L. Any member whose regular annual compensation was not
2 determined as provided for by law may pay the member contribution
3 required pursuant to subsection B of this section on such amount not
4 included in the member's regular annual compensation and receive
5 credit for such amount in the calculation of the member's benefit.
6 The employees must pay the employer contributions required pursuant
7 to Section 17-108.1 of this title. Interest at the rate of ten
8 percent (10%) per annum shall be charged to both employee and
9 employer contributions. Provided that the employing district may
10 pay all or any portion of the contributions and interest the member
11 is required to pay. Any payment by the employing district for a
12 prior year obligation shall be considered a current obligation of
13 the employer.

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

20 N. Effective July 1, 1988, any member who is employed by the
21 Governor, the State Senate, the House of Representatives or the
22 Legislative Service Bureau shall be allowed to elect to retain
23 membership in the Retirement System upon payment of the accrued and
24 current member contributions and employer contributions as provided

1 in subsection B of this section and Section 17-108.1 of this title.
2 Such contributions may be paid on behalf of the member by the
3 employing entity. Upon payment of such contributions, service
4 credits shall continue to be accumulated during such employment.
5 Accrued contributions shall be paid to the Retirement System by
6 August 1, 1989. Current contributions shall be paid to the
7 Retirement System by the tenth of the following month beginning with
8 the month of July 1989.

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

20 P. 1. A member of the Oklahoma Public Employees Retirement
21 System who becomes a member of the Teachers' Retirement System of
22 Oklahoma because the member has become employed by an entity or
23 institution within The Oklahoma State System of Higher Education,
24 State Board of Education, State Board of Career and Technology

1 Education, Oklahoma Department of Career and Technology Education,
2 Oklahoma School of Science and Mathematics, Oklahoma Center for the
3 Advancement of Science and Technology, State Department of
4 Rehabilitation Services, Oklahoma State Regents for Higher
5 Education, Department of Corrections, State Department of Education,
6 Oklahoma Board of Private Vocational Schools, Board of Regents of
7 Oklahoma Colleges, Oklahoma Student Loan Authority, or the Teachers'
8 Retirement System of Oklahoma, may elect to receive credit in the
9 Teachers' Retirement System of Oklahoma for those years of service
10 accumulated by the member in the Oklahoma Public Employees
11 Retirement System pursuant to this subsection. A member shall be
12 eligible to elect to receive credit for such years of service if:

- 13 a. the member is an active member of the Teachers'
14 Retirement System of Oklahoma,
- 15 b. the member provides notice to the Teachers' Retirement
16 System of Oklahoma and the Oklahoma Public Employees
17 Retirement System of the member's election to transfer
18 such retirement credit. The notice shall include a
19 list of the years to be transferred, and
- 20 c. the member is not receiving or eligible to receive
21 retirement credit or benefits from such service in any
22 other public retirement system, notwithstanding the
23 years of service sought to be transferred under this
24 subsection.

1 Members electing to take advantage of the transfer authorized by
2 this subsection shall have all service credit with the Oklahoma
3 Public Employees Retirement System canceled which is transferred to
4 the Teachers' Retirement System of Oklahoma.

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. Within thirty (30) days after notification of an intent
9 to transfer is received by the sending system, the sending system
10 shall, according to its own rules, send to the receiving system all
11 employer and employee contributions made on behalf of the member
12 which were made to the sending system plus an additional amount of
13 earnings based on the actuarial assumed rate of the sending system.
14 Upon receipt of these contributions by the receiving system, the
15 receiving system shall give credit to the transferring member in an
16 amount equal to the years of service accrued in the sending system.

17 3. If the transferring member's normal retirement date
18 calculation is based upon the sum of the member's age and number of
19 years of credited service totaling eighty (80) in the sending
20 system, then the member shall retain such calculation in the
21 receiving system.

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

24

1 Q. A former member of the Teachers' Retirement System of
2 Oklahoma who withdrew his or her contributions from the System prior
3 to January 1, 1983, and who had at least ten (10) years of service
4 in the System and purchased that service in the Oklahoma Public
5 Employees Retirement System, may elect to revoke that purchase from
6 the Oklahoma Public Employees Retirement System and to repay the
7 withdrawn contributions to the System in order to be eligible, once
8 such member reaches the normal retirement age, to receive a
9 retirement benefit that is based upon years of service and
10 compensation at the time such member terminated employment. In
11 addition, such former member may elect to transfer service credit
12 accrued in the Oklahoma Public Employees Retirement System to the
13 Teachers' Retirement System of Oklahoma pursuant to subsection K of
14 this section. The election, pursuant to this subsection, shall be
15 made prior to September 1, 2000. The election and the repayment
16 shall be made according to rules promulgated by the Board.

17 SECTION 3. This act shall become effective November 1, 2015.
18

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