

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL 942

By: Rosino

AS INTRODUCED

An Act relating to the Oklahoma Public Employees Retirement System; amending 62 O.S. 2011, Section 3103, as last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2018, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definitions; amending 74 O.S. 2011, Sections 913, as last amended by Section 1, Chapter 21, O.S.L. 2018 and 913.8 (74 O.S. Supp. 2018, Section 913), which relate to service credit for certain periods of military service; providing for purchase of service at actuarial cost; imposing requirements related to purchase of service credit; modifying provisions related to military service credit; and providing effective dates.

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

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

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

1. "Amendment" means any amendment, including a substitute bill, made to a retirement bill by any committee of the House or

1 Senate, any conference committee of the House or Senate or by the
2 House or Senate;

3 2. "RB number" means that number preceded by the letters "RB"
4 assigned to a retirement bill by the respective staffs of the
5 Oklahoma State Senate and the Oklahoma House of Representatives when
6 the respective staff office prepares a retirement bill for a member
7 of the Legislature;

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

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

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

18 a. which does not affect the cost or funding factors of a
19 retirement system, or

20 b. which affects such factors only in a manner which does
21 not:

22 (1) grant a benefit increase under the retirement
23 system affected by the bill,
24

- 1 (2) create an actuarial accrued liability for or
2 increase the actuarial accrued liability of the
3 retirement system affected by the bill, or
4 (3) increase the normal cost of the retirement system
5 affected by the bill,

6 c. which authorizes the purchase by an active member of
7 the retirement system, at the actuarial cost for the
8 purchase as computed pursuant to the statute in effect
9 on the effective date of the measure allowing such
10 purchase, of years of service for purposes of reaching
11 a normal retirement date in the applicable retirement
12 system, but which cannot be used in order to compute
13 the number of years of service for purposes of
14 computing the retirement benefit for the member,

15 d. which provides for the computation of a service-
16 connected disability retirement benefit for members of
17 the Oklahoma Law Enforcement Retirement System
18 pursuant to Section 2-305 of Title 47 of the Oklahoma
19 Statutes if the members were unable to complete twenty
20 (20) years of service as a result of the disability,

21 e. which requires membership in the defined benefit plan
22 authorized by Section 901 et seq. of Title 74 of the
23 Oklahoma Statutes for persons whose first elected or
24 appointed service occurs on or after November 1, 2018,

1 if such persons had any prior service in the Oklahoma
2 Public Employees Retirement System prior to November
3 1, 2015, ~~or~~

4 f. which provides for a one-time increase in retirement
5 benefits if the increase in retirement benefits is not
6 a permanent increase in the gross annual retirement
7 benefit payable to a member or beneficiary, occurs
8 only once pursuant to a single statutory authorization
9 and does not exceed:

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

18 (2) the lesser of two percent (2%) of the gross
19 annual retirement benefit of the member or One
20 Thousand Two Hundred Dollars (\$1,200.00) and
21 requires that the benefit may only be provided if
22 the funded ratio of the affected retirement
23 system would be greater than eighty percent (80%)
24

1 but not greater than one hundred percent (100%)

2 after the benefit increase is paid,

3 (3) the lesser of two percent (2%) of the gross
4 annual retirement benefit of the member or One
5 Thousand Four Hundred Dollars (\$1,400.00) and
6 requires that the benefit may only be provided if
7 the funded ratio of the affected retirement
8 system would be greater than one hundred percent
9 (100%) after the benefit increase is paid, or

10 (4) the greater of two percent (2%) of the gross
11 annual retirement benefit of the volunteer
12 firefighter or One Hundred Dollars (\$100.00) for
13 persons who retired from the Oklahoma
14 Firefighters Pension and Retirement System as
15 volunteer firefighters and who did not retire
16 from the Oklahoma Firefighters Pension and
17 Retirement System as a paid firefighter, or

18 g. which allows a member of the Oklahoma Public Employees
19 Retirement System to purchase service credit at
20 actuarial cost as provided by Section 2 of this act.

21 As used in this subparagraph, "funded ratio" means the
22 figure derived by dividing the actuarial value of assets of
23 the applicable retirement system by the actuarial accrued
24 liability of the applicable retirement system.

1 A nonfiscal retirement bill shall include any retirement bill that
2 has as its sole purpose the appropriation or distribution or
3 redistribution of monies in some manner to a retirement system for
4 purposes of reducing the unfunded liability of such system or the
5 earmarking of a portion of the revenue from a tax to a retirement
6 system or increasing the percentage of the revenue earmarked from a
7 tax to a retirement system;

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

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

19 8. "Retirement bill having a fiscal impact" means any
20 retirement bill creating or establishing a retirement system and any
21 other retirement bill other than a nonfiscal retirement bill; and

22 9. "Retirement system" means the Teachers' Retirement System of
23 Oklahoma, the Oklahoma Public Employees Retirement System, the
24 Uniform Retirement System for Justices and Judges, the Oklahoma

1 Firefighters Pension and Retirement System, the Oklahoma Police
2 Pension and Retirement System, the Oklahoma Law Enforcement
3 Retirement System, or a retirement system established after January
4 1, 2006.

5 SECTION 2. AMENDATORY 74 O.S. 2011, Section 913, as last
6 amended by Section 1, Chapter 21, O.S.L. 2018 (74 O.S. Supp. 2018,
7 Section 913), is amended to read as follows:

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

9 1. A member shall receive full credit for employment with any
10 participating employer prior to the entry date of his or her
11 employer whether or not continuous and whether or not he or she was
12 employed with a participating employer on such entry date, provided
13 that any member who has retired before the passage of Section 901 et
14 seq. of this title, shall not receive retirement benefits
15 retroactively for such prior service. Provided, that at such time
16 that an employer becomes a participating employer on or after
17 January 1, 1965, and before January 1, 1975, each member and each
18 retirant, upon making proper written application therefor, shall
19 receive prior service credit for service with such employer in the
20 same manner as if such participating employer had been a
21 participating employer on the date first eligible to become a
22 participating employer; and increased benefits attributable to such
23 increased prior service credit shall commence with the next monthly
24 benefit payment due following receipt and approval of such

1 application by the Board of Trustees. No prior service shall be
2 granted, however, for periods of service in which the employee made
3 contributions which he or she subsequently withdrew, unless he or
4 she has complied with the provisions of subsection (5) of Section
5 917 of this title. The burden of proof regarding prior service
6 shall be with the member and shall be documented in such manner as
7 the Board may direct;

8 2. Any member who was employed in an institution of higher
9 learning by a State Board of Regents or who was employed by an
10 Oklahoma school district prior to July 1, 1943, may receive prior
11 service credit under this act for the period of time they were so
12 employed;

13 3. Any member who served in the Armed Forces of the United
14 States, as defined in paragraph (23) of Section 902 of this title,
15 prior to membership in the Oklahoma Public Employees Retirement
16 System shall be granted prior service credit, not to exceed five (5)
17 years, for those periods of active military service during which he
18 or she was a war veteran. For a member of the System hired on or
19 after July 1, 2003, if the military service credit authorized by
20 this paragraph is used to compute the retirement benefit of the
21 member and the member retires from the System, such military service
22 credit shall not be used to compute the retirement benefit in any
23 other retirement system created pursuant to the Oklahoma Statutes
24 and the member may receive credit for such service only in the

1 retirement system from which the member first retires. For any
2 period of military service in the Armed Forces of the United States,
3 including the United States Army, the United States Marines, the
4 United States Navy, the United States Air Force, any reserve
5 component of such Armed Forces, the National Guard of any state, the
6 United States Coast Guard, the commissioned or regular or reserve
7 corps of the United States Public Health Service and the National
8 Oceanic and Atmospheric Administration Commissioned Officer Corps,
9 performed prior to membership in the Oklahoma Public Employees
10 Retirement System and to the extent such service has not already
11 been credited to the member pursuant to the provisions of this
12 paragraph, such service may be purchased by the member at actuarial
13 cost as prescribed by Section 913.5 of this title and subject to all
14 requirements for the purchase of service credit at actuarial cost.
15 Service credit purchased pursuant to the provisions of this
16 paragraph may be purchased by any member, whether or not the member
17 has an interruption in participating service followed by another
18 period of participating service, if the service is purchased while
19 the person is a member of the System and the purchase is made and
20 completed prior to the member's retirement;

21 4. An elective state, county, city or town official who is
22 ineligible for membership as a result of any applicable state law or
23 constitutional provision making him or her ineligible solely because
24 of his or her being such an official at the time of his or her

1 eligibility for membership at the time his or her employer becomes a
2 participating employer shall nevertheless not forfeit the prior
3 service credit to which he or she would be entitled except for such
4 ineligibility, provided that he or she either:

- 5 a. becomes an employee of a participating employer within
6 four (4) calendar months of the expiration of his or
7 her term of office current at the time of his or her
8 eligibility except for his or her being an elective
9 state or county official, or
10 b. within a period of four (4) years after the expiration
11 of his or her term of office current at the time of
12 his or her eligibility except for his or her being an
13 elective state or county official, is elected as a
14 state or county official and thereupon becomes a
15 member of the System, or
16 c. has completed ten (10) years of credited service as of
17 the date of his or her eligibility for membership
18 except for his or her being an elective state or
19 county official;

20 5. Beginning July 1, 1965, all employees of the Department of
21 Human Services shall participate in the Oklahoma Public Employees
22 Retirement System to the same extent as other employees of
23 participating employers in such System. Provided, that any employee
24 performing teaching services in the Oklahoma School for the Deaf or
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1 the Oklahoma School for the Blind may elect to participate in the
2 Teachers' Retirement System of Oklahoma in lieu of the Oklahoma
3 Public Employees Retirement System; and any other employee at each
4 such institution or any other institution under the jurisdiction of
5 the Department of Human Services, participating in the Teachers'
6 Retirement System of Oklahoma, may elect to continue to participate
7 in such System in lieu of the Oklahoma Public Employees Retirement
8 System. All employees who shall have participated in the Teachers'
9 Retirement System of Oklahoma and not continuing therein shall have
10 the right to withdraw their membership from the Teachers' Retirement
11 System of Oklahoma on the same terms as other members withdrawing
12 from such System before retirement. Provided, all persons employed
13 at the Oklahoma School for the Blind and Oklahoma School for the
14 Deaf on June 30, 1965, who became subject to the Oklahoma Public
15 Employees Retirement System, on July 1, 1965, shall receive credit
16 for prior service and be eligible for participation, regardless of
17 age;

18 6. A member employed as a temporary employee by the Legislative
19 Service Bureau or its predecessors, the State Senate or the House of
20 Representatives for the full duration of a regular legislative
21 session prior to the member's eligibility for membership in the
22 System shall receive six (6) months of prior service credit for each
23 such full regular legislative session if the employee is employed by
24 the Legislative Service Bureau or its predecessors, the State Senate

1 or the House of Representatives as either a full-time or temporary
2 employee for a minimum of six (6) full regular legislative sessions
3 beginning January 1, 1983. For purposes of this subsection, the
4 determination of whether an employee is employed for the full
5 duration of a regular legislative session shall be made by the
6 Legislative Service Bureau if such employee is employed by the
7 Legislative Service Bureau, the State Senate if such employee is
8 employed by the State Senate, or by the House of Representatives if
9 such employee is employed by the House of Representatives;

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

17 8. Any member who is a state employee and receives temporary
18 total disability benefits during the period of absence with a
19 participating employer due to a work-related injury or illness
20 incurred while engaged in a governmental function for said
21 participating employer pursuant to the Workers' Compensation Act
22 shall receive credit for participating service during said period of
23 absence subject to the following requirements:

- 1 a. the member was employed by the participating employer
2 immediately prior to and during the period of absence,
3 b. the member must notify the System in writing not later
4 than four (4) months after the member's return to his
5 or her job duties with the participating employer, or
6 termination of employment with the participating
7 employer, or termination of the temporary total
8 disability benefits, whichever is earlier, of the
9 member's desire to receive participating service
10 credit for the period of absence,
11 c. the participating employer must certify to the System
12 in writing the dates during which temporary total
13 disability benefits payments were paid to the member,
14 and
15 d. the member and the participating employer shall each
16 pay their respective contributions required for the
17 period of absence without interest within sixty (60)
18 days of invoicing by the System, or with interest of
19 seven and one-half percent (7 1/2%) compounded
20 annually if paid after said sixty (60) days.

21 B. Participating service shall be credited as follows:

- 22 1. A member shall receive credit for participating service with
23 a participating employer in accordance with the rules and
24 regulations established by the Board; provided, however, that a

1 member who is not a full-time employee shall receive prorated credit
2 for actual hours worked;

3 2. Leaves of absence shall not count as a break in continuous
4 employment provided the member leaves his or her accumulated
5 contribution on deposit with the fund; however, the leaves of
6 absence shall not be credited except that involuntary furloughs
7 established by Office of Management and Enterprise Services rules,
8 involuntary furloughs of employees of a district attorney conducted
9 in substantial compliance with the rules of the Office of Management
10 and Enterprise Services as certified by the District Attorneys
11 Council, involuntary furloughs of employees pursuant to a furlough
12 plan adopted by the President Pro Tempore of the Senate or the
13 Speaker of the House of Representatives as authorized in Section
14 840-5.1 of this title and involuntary furloughs of employees
15 authorized by the Oklahoma Supreme Court shall be credited;

16 3. Any member who has served in the Armed Forces of the United
17 States, as defined in paragraph (23) of Section 902 of this title,
18 shall be granted participating service for those periods of active
19 military service during which he or she was a war veteran provided
20 this service is immediately preceded by a period of employment with
21 a participating employer and is followed by return to employment as
22 an employee with the same or another participating employer within
23 ninety (90) days immediately following discharge from such military
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1 service provided the member leaves his or her accumulated
2 contributions on deposit with the fund;

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

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

14 6. Provided, however, that all employee contributions required
15 by this act made by employees prior to June 30, 1977, will entitle
16 the employee to additional years of participating service in
17 accordance with the following schedule.

18 Employee accumulated contributions:

19 More than \$1.00 up to \$500	= 1 year participating service
20 More than \$500 up to \$1,000	= 2 years participating service
21 More than \$1,000 up to \$1,500	= 3 years participating service
22 More than \$1,500 up to \$2,000	= 4 years participating service
23 More than \$2,000	= 5 years participating service

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

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

- 7 7. a. The total participating service credit of a member who
8 retires or terminates employment and elects a vested
9 benefit shall include not to exceed one hundred thirty
10 (130) days of unused sick leave accumulated subsequent
11 to August 1, 1959, during the member's employment with
12 any participating employer. Such credit shall be
13 added in terms of whole months. Twenty (20) days of
14 unused sick leave shall equal one (1) month for
15 purposes of participating service credit. If unused
16 sick leave entitles a member to an additional year of
17 service credit, the member's employer shall reimburse
18 the System for the cost of funding the additional
19 benefit. For members who join the System on or after
20 November 1, 2012, if unused sick leave entitles a
21 member to any additional service credit, the member's
22 employer shall reimburse the System for the cost of
23 funding the additional benefit. Each participating
24 employer shall provide the System with adequate and

1 timely information necessary to determine additional
2 benefits and its cost under this paragraph. This
3 subparagraph shall apply to members retiring or
4 vesting on or after July 1, 1984.

5 b. For members who join the System on or after November
6 1, 2012, unused sick leave as set forth in
7 subparagraph a of this paragraph shall be credited at
8 the same rate but not used to round up to another
9 year. Instead, any additional months of unused sick
10 leave credit shall be added to other service credit
11 without rounding.

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

18 d. A member may receive credit for those years of credited
19 service accumulated by the member while a member of the Oklahoma
20 Firefighters Pension and Retirement System, the Oklahoma Police
21 Pension and Retirement System, the Uniform Retirement System for
22 Justices and Judges, the Oklahoma Law Enforcement Retirement System,
23 or the Teachers' Retirement System of Oklahoma, if the member is not
24 receiving or eligible to receive retirement credit or benefits from

1 said service in any other public retirement system. To receive the
2 service credit, the member shall pay the amount determined by the
3 Board pursuant to Section 913.5 of this title.

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

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

1 allowed in accordance with Section 414(u) of the federal Internal
2 Revenue Code.

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

- 7 a. the member is an active member of the Oklahoma Public
8 Employees Retirement System, and
- 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 said 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 said service in any
16 other public retirement system, notwithstanding the
17 years of service sought to be transferred under this
18 subsection.

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

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

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

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

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

1 projections regarding future salary. For vested
2 employees the sending system shall use the
3 product of this calculation for purposes of
4 determining the transfer fee to be paid by the
5 employee under subparagraph c of this paragraph
6 so long as it is greater than the product of the
7 calculation in this division, and

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

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

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

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

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

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

23 3. Within sixty (60) days of successfully completing all of the
24 requirements for transfer under this subsection, the sending system

1 shall pay the receiving system any amount due under this subsection.

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

22 4. Years of service transferred pursuant to this subsection
23 shall be used both in determining the member's retirement benefit
24 and in determining the years of service for retirement and/or

1 vesting purposes. Years of service rendered as a member of the
2 Teachers' Retirement System of Oklahoma prior to July 1, 1992, if
3 any, shall be deemed to be years of service rendered as a member of
4 the Oklahoma Public Employees Retirement System prior to July 1,
5 1992, and shall qualify such person as a member of the Oklahoma
6 Public Employees Retirement System before July 1, 1992.

7 5. Notwithstanding the requirements of Section 17-104 of Title
8 70 of the Oklahoma Statutes, members electing to take advantage of
9 the transfer authorized by this subsection who have withdrawn their
10 contributions from the sending system shall remit to the sending
11 system the amount of the accumulated contributions the member has
12 withdrawn plus simple interest of ten percent (10%) per annum prior
13 to making said election or the election shall be deemed invalid and
14 the transfer shall be canceled. If such an election is deemed
15 invalid and the transfer is canceled, the accumulated contribution
16 remitted to the sending system by the member who originally withdrew
17 their contributions shall be returned to the member. 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 17-101 et seq. of Title 70 of the Oklahoma
22 Statutes.

23 6. If any member fails for any reason to satisfy the
24 requirements of this subsection, the election to transfer retirement
25

1 credit shall be void and of no effect, and any retirement credited
2 as a result of this transfer shall be canceled. If such retirement
3 credit is canceled, the years of canceled retirement credit which
4 were unsuccessfully transferred to the receiving system from the
5 sending system shall be reestablished in the sending system. The
6 member's rights and obligations regarding any retirement credit
7 reestablished in the sending system due to a failure to satisfy the
8 requirements of this subsection shall be determined by the sending
9 system in accordance with Section 17-101 et seq. of Title 70 of the
10 Oklahoma Statutes.

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

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

1 credit for those years of service accumulated by the member in the
2 Teachers' Retirement System of Oklahoma, pursuant to this
3 subsection. A member shall be eligible to elect to transfer credit
4 for such years of service from the Teachers' Retirement System of
5 Oklahoma to the Oklahoma Public Employees Retirement System if:

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

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

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

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

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

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

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

SECTION 3. AMENDATORY 74 O.S. 2011, Section 913.8, is

amended to read as follows:

Section 913.8. ~~A. Any active member of the Oklahoma Public Employees Retirement System whose initial membership in the System began on or after July 1, 2000, may receive up to five (5) years of prior or participating military service credit as otherwise provided in this act, only upon payment of the amount determined by the Board pursuant to Section 913.5 of this title.~~

~~B. For a member of the System hired on or after July 1, 2003,~~
if If the military service credit authorized by ~~this section~~
paragraph 3 of subsection A of Section 913 of this title is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires.

SECTION 4. Section 1 of this act shall become effective October 1, 2019.

SECTION 5. Sections 2 and 3 of this act shall become effective November 1, 2019.

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