

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2528 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Mark Lepak _____

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 2528

By: Lepak

PROPOSED COMMITTEE SUBSTITUTE

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

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

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

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

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

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

17 (3) "Classified personnel" shall mean any teacher, principal,
18 superintendent, supervisor, administrator, librarian, certified or
19 registered nurse, college professor, or college president whose
20 salary is paid wholly or in part from public funds. An employee of
21 any state department, board, board of regents, or board of trustees,
22 who is in a supervisory or an administrative position, the function
23 of which is primarily devoted to public education, shall be
24 considered classified personnel under the meaning of Section 17-101

1 et seq. of this title, at the discretion of the Board of Trustees of
2 the Teachers' Retirement System. The term "teacher" shall also
3 include instructors and counselors employed by the Department of
4 Corrections and holding valid teaching certificates issued by the
5 State Department of Education. Provided, that a person employed by
6 the Department of Corrections as an instructor or counselor shall
7 have been actively engaged in the teaching profession for a period
8 of not less than three (3) years prior to employment to be eligible
9 to participate in the Teachers' Retirement System of Oklahoma. The
10 Department of Corrections shall contribute the employer's share to
11 the Teachers' Retirement System of Oklahoma.

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

21 (5) "Employer" shall mean the state and any of its designated
22 agents or agencies with responsibility and authority for public
23 education, such as boards of education of elementary and independent
24 school districts, boards of regents, boards of control, or any other

1 agency of and within the state by which a person may be employed for
2 service in public education. Employer shall also mean the board of
3 directors of a tuition free, nonprofit alternative school of choice
4 that provides education, therapeutic counseling, and outreach
5 programs which is aligned with a school district and which receives
6 grant funds from governmental sources.

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

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

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

15 ~~(9) "Prior service" shall mean service rendered prior to July~~
16 ~~1, 1943.~~

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

20 ~~(11) (9) "Creditable service" shall mean membership service~~
21 ~~plus any prior other service authorized under this title.~~

22 ~~(12) (10) "Annuitant" shall mean any person in receipt of a~~
23 ~~retirement allowance as provided in this title an annuity as defined~~
24 ~~in paragraph (14) of this section.~~

1 ~~(13)~~ (11) "Accumulated contributions" shall mean the sum of all
2 amounts deducted from the compensation of a member and credited to
3 ~~his~~ the member's individual account in the Teachers' Savings Fund,
4 together with applicable interest as of June 30, 1968.

5 ~~(14)~~ (12) "Earnable compensation" shall mean the full rate of
6 the compensation that would be payable to a member ~~if he~~ who worked
7 the full normal working time.

8 ~~(15)~~ (13) "Average salary":

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

1 member using the regular annual compensation of the
2 member for any pre-cap removal year of service so
3 included subject to the maximum average salary amount,
4 and

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

12 ~~(16)~~ (14) "Annuity" shall mean ~~payments for life derived from~~
13 ~~the "accumulated contributions" of a member. All annuities shall be~~
14 ~~payable in equal monthly installments~~ a lifetime benefit payable in
15 fixed monthly installments.

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

19 ~~(18)~~ (15) ~~"Monthly retirement~~ Retirement allowance" is one-
20 twelfth (1/12) of the annual retirement ~~allowance~~ benefit which
21 shall be payable monthly.

22 ~~(19)~~ (16) "Retirement Benefit Fund" shall mean the fund from
23 which all retirement benefits shall be paid based on such mortality
24 tables as shall be adopted by the Board of Trustees.

1 ~~(20)~~ (17) "Actuary" shall mean a person or firm especially
2 skilled through training and experience in financial calculation
3 respecting the expectancy and duration of life.

4 ~~(21)~~ (18) "Actuarial equivalent" shall mean a benefit of equal
5 value when computed upon the basis of such mortality and other
6 tables as shall be adopted by the Board of Trustees.

7 ~~(22)~~ (19) The masculine pronoun, whenever used, shall include
8 the feminine.

9 ~~(23)~~ (20) "Actuarially determined cost" shall mean the single
10 sum which is actuarially equivalent in value to a specified ~~pension~~
11 annuity amount as determined on the basis of mortality and interest
12 assumptions adopted by the Board of Trustees.

13 ~~(24)~~ (21) "Normal retirement age" means the earliest date upon
14 which:

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

20 (b) a member reaches the age of sixty-five (65) with
21 respect to a member whose first creditable service
22 occurs on or after November 1, 2011, or with respect
23 to a member whose first creditable service occurs on
24 or after November 1, 2011, reaches a normal retirement

- 1 date pursuant to subparagraph (d) of this paragraph
2 having attained a minimum age of sixty (60) years,
3 (c) the age at which the sum of a member's age and number
4 of years of creditable service total eighty (80), with
5 respect to a member whose first creditable service
6 occurred prior to July 1, 1992, and who does not reach
7 a normal retirement age pursuant to subparagraph (a)
8 of this paragraph, or
9 (d) the age at which the sum of a member's age and number
10 of years of creditable service total ninety (90), with
11 respect to a member whose first creditable service
12 occurred on or after July 1, 1992, but prior to
13 November 1, 2011, if the member does not reach a
14 normal retirement age pursuant to subparagraph (a) of
15 this paragraph.

16 ~~(25)~~ (22) "Regular annual compensation" means salary plus
17 fringe benefits, excluding the flexible benefit allowance pursuant
18 to Section 26-105 of this title ~~and for purposes pursuant to Section~~
19 ~~17-101 et seq. of this title.~~ For purposes of this definition,
20 regular annual compensation shall include:

- 21 (a) salary which accrues on a regular basis in proportion
22 to the service performed including payments for staff
23 development,
24

1 (b) amounts that would otherwise qualify as salary under
2 paragraph (a) of this subsection but are not received
3 directly by the member pursuant to a good faith,
4 voluntary written salary reduction agreement in order
5 to finance payments to a deferred compensation or tax-
6 sheltered annuity program or to finance benefit
7 options under a cafeteria plan qualifying under the
8 United States Internal Revenue Code, 26 U.S.C.,
9 Section 101 et seq.,

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

15 (d) excluded from regular annual compensation are:

- 16 1. expense reimbursement payments,
- 17 2. office, vehicle, housing, or other maintenance
18 allowances,
- 19 3. the flexible benefit allowance provided pursuant
20 to Section 26-105 of this title,
- 21 4. payment for unused vacation and sick leave,
- 22 5. any payment made for reason of termination or
23 retirement not specifically provided for in
24 subparagraphs (a) through (c) of this subsection,

- 1 6. maintenance or other nonmonetary compensation,
- 2 7. payment received as an independent contractor or
- 3 consultant, pursuant to a lawful contract which
- 4 complies with the requirements of subsection B of
- 5 Section 6-101.2 of this title,
- 6 8. any benefit payments not made pursuant to a valid
- 7 employment agreement,
- 8 9. compensation for clinical related activity
- 9 performed in the University of Oklahoma Health
- 10 Sciences Center (OUHSC) Professional Practice
- 11 Plan or Oklahoma State University Center for
- 12 Health Sciences (OSU-CHS) Professional Practice
- 13 Plan, and
- 14 10. any other compensation not described in
- 15 subparagraphs (a) through (c) of this subsection.

16 ~~(26) "Teacher" means classified personnel and nonclassified~~
17 ~~optional personnel.~~

18 ~~(27)~~ (23) "Active classroom teacher" means a person employed by
19 a school district to teach students specifically identified classes
20 for specifically identified subjects during the course of a
21 semester, and who holds a valid certificate or license issued by and
22 in accordance with the rules and regulations of the State Board of
23 Education.

1 ~~(28)~~ (24) "Maximum compensation level" shall, except as
2 otherwise authorized pursuant to the provisions of Section 17-116.2C
3 of this title, mean:

4 (a) Twenty-five Thousand Dollars (\$25,000.00) for
5 creditable service authorized and performed prior to
6 July 1, 1995, for members not electing a higher
7 maximum compensation level,

8 (b) Forty Thousand Dollars (\$40,000.00) for creditable
9 service authorized and performed prior to July 1,
10 1995, for members electing a maximum compensation
11 level in excess of Twenty-five Thousand Dollars
12 (\$25,000.00),

13 (c) Twenty-seven Thousand Five Hundred Dollars
14 (\$27,500.00) for members who, as of June 30, 1995, had
15 elected to have a maximum compensation level not in
16 excess of Twenty-five Thousand Dollars (\$25,000.00),
17 and who were employed by an entity or institution
18 within The Oklahoma State System of Higher Education
19 for creditable service authorized and performed on or
20 after July 1, 1995, but not later than June 30, 1996,
21 if such member does not elect a higher maximum
22 compensation level for this period as authorized by
23 Section 17-116.2A of this title,
24

1 (d) Thirty-two Thousand Five Hundred Dollars (\$32,500.00)
2 for members employed by a comprehensive university if
3 the member meets the requirements imposed by Section
4 17-116.2A of this title and the member elects to
5 impose a higher maximum compensation level for service
6 performed on or after July 1, 1995, but not later than
7 June 30, 1996,

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

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

1 (g) the following amounts for creditable service
2 authorized and performed by members employed by a
3 comprehensive university, based upon the election of
4 the member in effect as of June 30, 1995:

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

8 (i) Thirty-two Thousand Five Hundred Dollars
9 (\$32,500.00) for service authorized and
10 performed on or after July 1, 1996, but not
11 later than June 30, 1997,

12 (ii) Thirty-seven Thousand Five Hundred Dollars
13 (\$37,500.00) for service authorized and
14 performed on or after July 1, 1997, but not
15 later than June 30, 1998,

16 (iii) Forty-two Thousand Five Hundred Dollars
17 (\$42,500.00) for service authorized and
18 performed on or after July 1, 1998, but not
19 later than June 30, 2000,

20 (iv) Forty-seven Thousand Five Hundred Dollars
21 (\$47,500.00) for service authorized and
22 performed on or after July 1, 2000, but not
23 later than June 30, 2001,
24

1 (v) Fifty-two Thousand Five Hundred Dollars
2 (\$52,500.00) for service authorized and
3 performed on or after July 1, 2001, but not
4 later than June 30, 2002,

5 (vi) Fifty-seven Thousand Five Hundred Dollars
6 (\$57,500.00) for service authorized and
7 performed on or after July 1, 2002, but not
8 later than June 30, 2003,

9 (vii) Sixty-two Thousand Five Hundred Dollars
10 (\$62,500.00) for service authorized and
11 performed on or after July 1, 2003, but not
12 later than June 30, 2004,

13 (viii) Sixty-seven Thousand Five Hundred Dollars
14 (\$67,500.00) for service authorized and
15 performed on or after July 1, 2004, but not
16 later than June 30, 2005,

17 (ix) Seventy-two Thousand Five Hundred Dollars
18 (\$72,500.00) for service authorized and
19 performed on or after July 1, 2005, but not
20 later than June 30, 2006,

21 (x) Seventy-seven Thousand Five Hundred Dollars
22 (\$77,500.00) for service authorized and
23 performed on or after July 1, 2006, but not
24 later than June 30, 2007, and

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

4 2. for members who elected a maximum compensation
5 level in excess of Twenty-five Thousand Dollars
6 (\$25,000.00):

7 (i) Forty-nine Thousand Dollars (\$49,000.00) for
8 service authorized and performed on or after
9 July 1, 1996, but not later than June 30,
10 1997,

11 (ii) Fifty-four Thousand Dollars (\$54,000.00) for
12 service authorized and performed on or after
13 July 1, 1997, but not later than June 30,
14 1998,

15 (iii) Fifty-nine Thousand Dollars (\$59,000.00) for
16 service authorized and performed on or after
17 July 1, 1998, but not later than June 30,
18 2000,

19 (iv) Sixty-four Thousand Dollars (\$64,000.00) for
20 service authorized and performed on or after
21 July 1, 2000, but not later than June 30,
22 2001,

23 (v) Sixty-nine Thousand Dollars (\$69,000.00) for
24 service authorized and performed on or after

1 July 1, 2001, but not later than June 30,
2 2002,

3 (vi) Seventy-four Thousand Dollars (\$74,000.00)
4 for service authorized and performed on or
5 after July 1, 2002, but not later than June
6 30, 2003,

7 (vii) Seventy-nine Thousand Dollars (\$79,000.00)
8 for service authorized and performed on or
9 after July 1, 2003, but not later than June
10 30, 2004,

11 (viii) Eighty-four Thousand Dollars (\$84,000.00)
12 for service authorized and performed on or
13 after July 1, 2004, but not later than June
14 30, 2005,

15 (ix) Eighty-nine Thousand Dollars (\$89,000.00)
16 for service authorized and performed on or
17 after July 1, 2005, but not later than June
18 30, 2006,

19 (x) Ninety-four Thousand Dollars (\$94,000.00)
20 for service authorized and performed on or
21 after July 1, 2006, but not later than June
22 30, 2007, and
23
24

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

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

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

- 1 4. a member of the retirement system who is first
2 employed on or after July 1, 1996, by any entity
3 or institution within The Oklahoma State System
4 of Higher Education including a comprehensive
5 university, for creditable service authorized and
6 performed on or after July 1, 1996,
- 7 5. a member of the retirement system who, as of July
8 1, 1996, is subject to a maximum compensation
9 level pursuant to paragraph (g) of this
10 subsection if the member terminates service with
11 a comprehensive university and is subsequently
12 reemployed by a comprehensive university,
- 13 6. a member of the retirement system employed by a
14 comprehensive university for all service
15 performed on and after July 1, 2007, or
- 16 7. an eligible member of the retirement system who
17 fulfills the requirements of Section 17-116.2C of
18 this title with respect to pre-cap removal
19 service included in the retirement benefit
20 computation of the member at the average salary
21 of the member subject to the maximum average
22 salary amount.

23 ~~(29)~~ (25) "Comprehensive university" shall mean:
24

1 (a) the University of Oklahoma and all of its constituent
2 agencies including the University of Oklahoma Health
3 Sciences Center, the University of Oklahoma Law
4 Center, and the Geological Survey, and

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

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

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

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

1 A. All classified personnel shall become members of the
2 retirement system as a condition of their employment~~+~~.

3 B. For the period from August 2, 1969, to ~~the effective date of~~
4 ~~this act~~ June 30, 2021, all full-time nonclassified optional
5 personnel regularly employed for more than one (1) year may join the
6 Teachers' Retirement System of Oklahoma subject to the rules and
7 regulations adopted pursuant to the Teachers' Retirement System. On
8 or after ~~the effective date of this act~~ July 1, 2021, all
9 nonclassified optional personnel regularly employed for twenty (20)
10 hours or more per week may join the System upon hiring or
11 eligibility, subject to the provisions of subsection C of this
12 section and the rules and regulations adopted by the System pursuant
13 to this act.

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

21 2. If an eligible employee elects to opt out of participation
22 in the System, the employee shall not make any required employee
23 contributions to the System and ~~his or her~~ the employee's employer
24 shall not make any required employer contributions to the System.

1 3. If an eligible nonclassified optional employee ~~elects to~~
2 ~~participate~~ does not timely opt out of participation in the System,
3 the employee shall make employee contributions to the System
4 pursuant to Section 17-116.2 of this title and the employer shall
5 make employer contributions to the System pursuant to Section 17-
6 108.1 of this title. Nothing in this paragraph shall be construed
7 to prohibit the employer from making the contribution of the
8 employee to the System on behalf of the employee.

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

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

1 D. The Board of Trustees may, in its discretion, deny the right
2 to become members to any class of members whose compensation is only
3 partly paid by the state, or who is serving on a temporary or other
4 than per annum basis, and it also may, in its discretion, make
5 ~~optional with~~ the individual entrance into the retirement system for
6 members in any such class ~~their individual entrance into the~~
7 ~~retirement system~~ optional.

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

18 F. Effective November 1, 2019, a retired member of the
19 Teachers' Retirement System who becomes employed by the State
20 Department of Education for the first time on or after November 1,
21 2019, shall have the option to remain a member of the Teachers'
22 Retirement System subject to any applicable limitations placed on
23 retired members returning to work or may choose to participate as an
24 active member in the Oklahoma Public Employees Retirement System ~~as~~

1 ~~an active member~~ Defined Benefit Plan or the Oklahoma Public
2 Employees Retirement System Defined Contribution System, whichever
3 is applicable under the laws and rules governing those systems.

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

6 Section 17-105. (1) (a) Any member who has attained age
7 fifty-five (55) or who has completed thirty (30) years of creditable
8 service, as defined in Section 17-101 of this title, or for any
9 person who initially became a member prior to July 1, 1992,
10 regardless of whether there were breaks in service after July 1,
11 1992, whose age and number of years of creditable service total
12 eighty (80) may be retired upon proper application for retirement ~~on~~
13 ~~forms as~~ established by the System and executing a retirement
14 ~~contract~~. Such a retirement date will also apply to any person who
15 became a member of the sending system as defined in this act, prior
16 to July 1, 1992, regardless of whether there were breaks in service
17 after July 1, 1992. Any person who became a member after June 30,
18 1992, but prior to November 1, 2011, whose age and number of years
19 of creditable service total ninety (90) may be retired upon proper
20 application for retirement ~~and executing a retirement contract as~~
21 established by the System. Any person who becomes a member on or
22 after November 1, 2011, who attains the age of sixty-five (65) years
23 or who reaches a normal retirement date pursuant to subparagraph (d)
24 of paragraph ~~(24)~~ (21) of Section 17-101 of this title having

1 attained a minimum age of sixty (60) years may be retired upon
2 proper application for retirement ~~and executing a retirement~~
3 ~~contract~~ as established by the System. The application shall be
4 filed ~~on the form provided by the Board of Trustees for this~~
5 ~~purpose, not less than sixty (60) days before the date of~~
6 ~~retirement, provided that the Executive Director may waive the~~
7 ~~sixty day deadline for good cause shown as defined by the Board~~ with
8 the System in a manner required by the Board of Trustees.

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

15 2. Failure to submit this information by the deadline, or
16 errors in submitted information that result in a
17 disqualification of retirement eligibility shall be
18 the responsibility of the employer. In cases where
19 the error results in disqualification of retirement
20 eligibility, it is the employer's responsibility to
21 reemploy the member, or retain the member on the
22 payroll, for the time period required to reach
23 eligibility, not exceeding two (2) months.

24

1 (b) An individual who becomes a member of the Teachers'
2 Retirement System of Oklahoma after July 1, 1967, through October
3 31, 2017, shall be employed by the public schools, state colleges,
4 or universities of Oklahoma for a minimum of five (5) years and be a
5 contributing member of the Teachers' Retirement System of Oklahoma
6 for a minimum of five (5) years to qualify for monthly retirement
7 benefits from the Teachers' Retirement System of Oklahoma.

8 An individual who becomes a member of the Teachers' Retirement
9 System on or after November 1, 2017, shall be employed by the public
10 schools, state colleges or universities of Oklahoma for a minimum of
11 seven (7) years and be a contributing member of the Teachers'
12 Retirement System of Oklahoma for a minimum of seven (7) years to
13 qualify for monthly retirement benefits from the Teachers'
14 Retirement System of Oklahoma.

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

21 Individuals becoming members on or after November 1, 2017, with
22 seven (7) or more years of Oklahoma teaching service and whose
23 accumulated contributions during such period have not been withdrawn
24 shall be given an indefinite extension of membership beginning with

1 the ~~sixth~~ eighth year following ~~his or her~~ the member's last
2 contributing membership and shall become eligible to apply for
3 ~~retirement and be retired upon attaining age fifty five (55).~~

4 (2) An unclassified optional member who has retired or who
5 retires at sixty-two (62) years of age or older or whose retirement
6 is because of disability shall have his or her minimum retirement
7 benefits calculated on an average salary of Five Thousand Three
8 Hundred Fifty Dollars (\$5,350.00) or, if a larger monthly allowance
9 would result, an amount arrived at pursuant to application of the
10 formula prescribed herein.

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

19 ~~Any individual regardless of residence, who has a minimum of ten~~
20 ~~(10) years of teaching in Oklahoma schools prior to July 1, 1943, or~~
21 ~~who taught in Oklahoma schools prior to 1934 and thereafter taught a~~
22 ~~minimum of ten (10) years and who does not qualify under the present~~
23 ~~retirement System, or who has a minimum of thirty (30) years of~~
24 ~~teaching in Oklahoma schools and has reached seventy (70) years of~~

1 ~~age prior to July 1, 1984, and is not otherwise eligible to receive~~
2 ~~any benefits from the retirement system shall receive a minimum of~~
3 ~~One Hundred Fifty Dollars (\$150.00) per month in retirement benefits~~
4 ~~from the Teachers' Retirement System of Oklahoma plus any general~~
5 ~~increase in benefits for annuitants as may be provided hereafter by~~
6 ~~the Legislature. Each individual must apply to the Teachers'~~
7 ~~Retirement System for such benefit and provide evidence to the~~
8 ~~Teachers' Retirement System that the service was actually rendered.~~
9 ~~The surviving spouse of any person who made application for the~~
10 ~~benefit provided for by this paragraph during his or her lifetime~~
11 ~~but did not receive the benefit may submit an application to the~~
12 ~~System for payment of the benefit for those months during the~~
13 ~~lifetime of the deceased person that he or she was eligible for but~~
14 ~~did not receive the benefit. Upon approval of the application by~~
15 ~~the Board of Trustees, the benefit shall be paid to the surviving~~
16 ~~spouse in one lump sum.~~

17 (4) The value of each year of prior service is the total
18 monthly retirement benefit divided by the number of years of
19 creditable service.

20 (5) Upon application of a member who is actively engaged in
21 teaching in Oklahoma or his or her upon application of the member's
22 employer, any member who has been a contributing member for ten (10)
23 years may be retired by the System subsequent to the execution and
24 filing thereof, on a disability retirement allowance, provided that

1 it is found by the Medical Board after medical examination of such
2 member by a duly qualified physician that such member is mentally or
3 physically incapacitated for further performance of duty, that such
4 incapacity is likely to be permanent, and that such member should be
5 retired. The System shall rely on and give full consideration to
6 the conclusions and recommendations in the certified written report
7 of the Medical Board of the Teachers' Retirement System regarding
8 the disability application of such member. If the Medical Board
9 does not find that a member applying for disability retirement is
10 mentally or physically incapacitated for performance of duty or
11 otherwise eligible for a disability retirement, the application
12 shall then be considered by the Board of Trustees. If a member is
13 determined to be eligible for disability benefits pursuant to the
14 Social Security System, then such determination shall entitle the
15 member to the authorized disability retirement ~~allowance~~ benefits
16 provided by law. For members who are not eligible for disability
17 benefits pursuant to the Social Security System, the Board of
18 Trustees and the Medical Board shall apply the same standard for
19 which provision is made in the first two sentences of this
20 subsection for determining the eligibility of a person for such
21 disability benefits in making a determination of eligibility for
22 disability benefits as authorized by this subsection.

23 (6) (a) A member who at the time of retirement has been found
24 to be permanently physically or mentally incapacitated to perform

1 the necessary duties to continue in ~~his or her~~ the member's current
2 position shall receive a minimum monthly retirement payment for life
3 or until such time as the member may be found to be recovered to the
4 point where ~~he or she~~ the member may return to teaching. Any member
5 retired before July 1, 1992, shall be eligible to receive the
6 monthly retirement ~~allowance~~ benefit herein provided, but such
7 payment shall not begin until the first payment due him or her after
8 July 1, 1992, and shall not be retroactive. The Board of Trustees
9 is empowered to make such rules and regulations as it considers
10 proper to preserve equity in retirements under this provision, which
11 shall include a provision to protect the rights of the member's
12 spouse.

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

1 provided for in subsection (8) of this section in lieu of the death
2 benefit provided for in this subsection and in subsection (12) of
3 this section.

4 (c) Once each year the System may require any disabled
5 annuitant who has not yet attained the age of sixty (60) years to
6 undergo a medical examination, such examination to be made at the
7 place of residence for the disabled annuitant or other place
8 mutually agreed upon by a physician or physicians designated by the
9 System. Should any disabled annuitant who has not yet attained the
10 age of sixty (60) years refuse to submit to at least one medical
11 examination in any such year by a physician or physicians designated
12 by the System ~~his or her~~ the member's allowance benefit may be
13 discontinued until ~~he or she~~ the member submits to such examination.

14 (d) Should the Medical Board report and certify to the Board of
15 Trustees that such disabled annuitant is engaged in or is able to
16 engage in a gainful occupation paying more than the difference
17 between ~~his or her retirement allowance and the~~ the member's average
18 final compensation and the annual benefit amount, and should the
19 Board of Trustees concur in such report, then the amount of ~~his or~~
20 ~~her pension~~ the member's annual benefit shall be reduced to an
21 amount which, ~~together with his or her retirement allowance and that~~
22 ~~amount earnable by him or her~~ added to the member's earnings from a
23 gainful occupation, shall equal the amount of ~~his or her~~ the
24 member's average final compensation. Should ~~his or her~~ the member's

1 earning capacity be later increased, the amount of ~~his or her~~
2 pension the member's annual benefit may be further ~~modified,~~
3 ~~provided the new pension shall not exceed that amount of the pension~~
4 ~~originally granted nor an amount, which when added to the amount~~
5 ~~earnable by the member, together with his or her annuity, equals the~~
6 ~~amount of his or her average final compensation~~ reduced.

7 (e) Should a disabled annuitant be restored to active service,
8 ~~his or her~~ the member's disability retirement allowance benefit
9 shall cease and ~~he or she~~ the member shall again become a an active
10 member of the Teachers' Retirement System and shall make regular
11 contributions as required under this article. The unused portion of
12 ~~his or her~~ the member's accumulated contributions shall be
13 reestablished to ~~his or her~~ the member's credit in the Teachers'
14 Savings Fund. Any such prior service certificates on the basis of
15 which ~~his or her~~ the member's service was computed at the time of
16 ~~his or her~~ the member's retirement shall be restored to full force
17 and effect.

18 (7) Should a member before retirement under Section ~~1-101~~ 17-
19 101 et seq. of this title make application for withdrawal duly filed
20 with the System, not earlier than four (4) months after the date of
21 termination of ~~such service as a teacher~~ eligible employment, the
22 contribution standing to the credit of ~~his or her~~ the member's
23 individual account in the Teachers' Savings Fund shall be paid to
24 ~~him or her~~ the member or, in the event of ~~his or her~~ the member's

1 death before retirement, shall be paid to such person or persons as
2 ~~he or she~~ the member shall have nominated by written designation,
3 ~~duly executed~~ designated in a manner required by the Board of
4 Trustees and filed with the System; provided, however, if there be
5 no designated beneficiary surviving upon such death, such
6 contributions shall be paid to ~~his or her~~ the member's
7 administrators, executors, or assigns, together with interest as
8 hereinafter provided. ~~In lieu of a lump sum settlement at the death~~
9 ~~of the member, the amount of money the member has on deposit in the~~
10 ~~Teachers' Savings Fund and the money the member has on deposit in~~
11 ~~the Teachers' Deposit Fund may be paid in monthly payments to a~~
12 ~~designated beneficiary, who must be the spouse, under the Maximum or~~
13 ~~Option 1 Plan of Retirement providing the monthly payment shall be~~
14 ~~not less than Twenty-five Dollars (\$25.00) per month. The monthly~~
15 ~~payment shall be the actuarial equivalent of the amount becoming due~~
16 ~~at the member's death based on the sex of the spouse and the age the~~
17 ~~spouse has attained at the last birthday prior to the member's~~
18 ~~death.~~ Provided further, if there be no designated beneficiary
19 surviving upon such death, and the contributions standing to the
20 credit of such member do not exceed Two Hundred Dollars (\$200.00),
21 no part of such contributions shall be subject to the payment of any
22 expense of the last illness or funeral of the deceased member or any
23 expense of administration of the estate of such deceased and the
24 System, upon satisfactory proof of the death of such member and of

1 the name or names of the person or persons who would be entitled to
2 receive such contributions under the laws of descent and
3 distribution of the state, may authorize the payment of accumulated
4 contributions to such person or persons. A member terminating ~~his~~
5 ~~or her~~ membership by withdrawal after June 30, 2003, shall have the
6 interest computed at a rate of interest determined by the Board of
7 Trustees and paid to ~~him or her~~ the member subject to the following
8 schedule:

9 (a) If termination occurs within sixteen (16) years from the
10 date membership began, fifty percent (50%) of such interest
11 accumulations shall be paid.

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

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

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

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

23 (8) (a) In lieu of ~~his or her retirement~~ the Maximum
24 Retirement allowance ~~allowance~~ Allowance payable throughout life for such an

1 amount as determined under this section, the member may select a
2 retirement allowance for a reduced amount payable under any of the
3 following options the present value of which is the actuarial
4 equivalent thereof.

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

12 (c) The first payment of any benefit selected shall be made on
13 the first day of the month following approval of the retirement by
14 the System. If the named ~~designated~~ joint annuitant under Option 2
15 or 3 dies at any time after the member's retirement date, but before
16 the death of the member, the member shall return to the ~~retirement~~
17 ~~benefit~~ Maximum Plan of Retirement, including any post-retirement
18 benefit increases the member would have received had the member not
19 selected Option 2 or 3 of this subsection. The ~~benefit~~ retirement
20 allowance shall be determined at the date of death of the ~~designated~~
21 joint annuitant. This increase shall become effective the first day
22 of the month following the date of death of the ~~designated~~ joint
23 annuitant, and shall be payable for the member's remaining lifetime.
24 The member shall notify the Teachers' Retirement System ~~of Oklahoma~~

1 of the death of the ~~designated~~ joint annuitant ~~in writing~~ by
2 providing a copy of the joint annuitant's death certificate. In the
3 absence of the ~~written notice~~ death certificate being filed by the
4 member notifying the Teachers' Retirement System ~~of Oklahoma~~ of the
5 death of the ~~designated~~ joint annuitant within six (6) months of the
6 date of death, nothing in this subsection shall require the
7 Teachers' Retirement System ~~of Oklahoma~~ to pay more than six (6)
8 months of retrospective benefits increase.

9 Option 1. A member takes a slightly reduced retirement
10 allowance for life. If ~~he or she~~ the member dies before ~~he or she~~
11 ~~has received~~ receiving in annuity payments the present value of ~~his~~
12 ~~or her~~ the member's annuity as it was at the time of ~~his or her~~
13 retirement, the balance shall be paid to ~~his or her legal~~
14 ~~representatives or to such person as he or she shall nominate~~ the
15 member's beneficiary by ~~written~~ designation ~~duly acknowledged and~~
16 filed with the System ~~at the time of his or her retirement~~ prior to
17 the member's death; or

18 Option 2. A member takes a reduced retirement allowance for
19 life. Upon the death of the member the payments shall continue to
20 the member's ~~designated~~ joint annuitant for the life of the joint
21 annuitant. The ~~written~~ designation of the joint annuitant must be
22 ~~duly acknowledged and~~ filed with the System at the time of the
23 member's retirement and, except as provided in paragraph ~~(e)~~ (d) of
24

1 this subsection, cannot be changed after the effective date of the
2 member's retirement; or

3 Option 3. A member receives a reduced retirement allowance for
4 life. Upon the death of the member one-half (1/2) of the retirement
5 allowance paid the member shall be continued throughout the life of
6 the ~~designated~~ member's joint annuitant. A ~~written~~ designation of a
7 joint annuitant must be ~~duly acknowledged and~~ filed with the System
8 at the time of the member's retirement and, except as provided in
9 paragraph ~~(e)~~ (d) of this subsection, cannot be changed after the
10 effective date of the member's retirement; or

11 Option 4. ~~Some~~ Provided, the System may establish other
12 retirement options if certified by the actuary to be of equivalent
13 actuarial value to the member's retirement allowance. Other
14 retirement options shall be presented to the Board of Trustees for
15 approval at its discretion. These other benefit or benefits shall
16 be paid either to the member or, if applicable, to such joint
17 annuitant as ~~he or she~~ the member shall nominate, ~~provided such~~
18 ~~other benefit or benefits, together with the reduced retirement~~
19 ~~allowance, shall be certified by the actuary to be of equivalent~~
20 ~~actuarial value to his or her retirement allowance and shall be~~
21 ~~approved by the System.~~

22 ~~(d)~~ (c) Provided that Option 2 and Option 3 shall not be
23 available if the member's expected benefit is less than fifty
24

1 percent (50%) of the lump-sum actuarial equivalent and the
2 ~~designated~~ joint annuitant is not the spouse of the member.

3 ~~(e)~~ (d) A member who chose the ~~maximum retirement benefit plan~~
4 Maximum Plan of Retirement at the time of retirement may make a one-
5 time election to choose either Option 2 or 3 and name the member's
6 spouse as ~~designated~~ joint annuitant if the member marries after
7 making the initial election. Such an election shall be made within
8 one (1) year of the date of marriage. The member shall provide
9 proof of a member's good health before the System will permit a
10 change to either Option 2 or 3 and the naming of a ~~designated~~ joint
11 annuitant. A medical examination conducted by a licensed physician
12 is required for purposes of determining good health. Such
13 examination must be approved by the Medical Board. The member shall
14 be required to provide proof of age for the new joint annuitant.
15 The System shall adjust the ~~monthly benefit~~ retirement allowance to
16 the actuarially equivalent amount based on the new ~~designated~~ joint
17 annuitant's age. The Board of Trustees shall promulgate rules to
18 implement the provisions of this subsection.

19 ~~(f)~~ (e) A member who retires after ~~the effective date of this~~
20 ~~act~~ July 1, 2010, and has selected a retirement allowance for a
21 reduced amount payable under one of the options provided for in this
22 subsection may make a one-time irrevocable election to select a
23 different option within sixty (60) days of the member's retirement
24 date. The beneficiary or joint annuitant designated by the member

1 at the time of retirement shall not be changed if the member makes
2 the election provided for in this paragraph.

3 ~~(g)~~ (f) Any individual who is eligible to be a beneficiary or
4 joint annuitant of a member under this subsection, and who is also a
5 beneficiary of a trust created under the Oklahoma Discretionary and
6 Special Needs Trust Act, Section 175.81 et seq. of Title 60 of the
7 Oklahoma Statutes, or a comparable Trust Act created under the laws
8 of another state, hereinafter collectively referred to as "Trust
9 Acts", may be a beneficiary or joint annuitant under this subsection
10 by having the trustee of the trust established for the benefit of
11 that individual named as the legal beneficiary or joint annuitant
12 under this subsection. The age of that beneficiary shall be used
13 for calculating any benefit payable to the trust under this
14 subsection. The beneficiary of such a trust shall be treated as the
15 beneficiary or joint annuitant under this subsection except that
16 payments of any benefits due under this subsection shall be payable
17 to the lawfully appointed trustee of the trust. The obligation of
18 the System to pay the beneficiary or joint annuitant under this
19 subsection shall be satisfied by payment to the trustee whom the
20 System, in good faith, believes to be the lawfully appointed
21 trustee. Any conflict between the statutes creating and governing
22 the Teachers' Retirement System in Section 17-101 et seq. of this
23 title and the provisions of any Trust Act referred to above shall be
24 resolved in favor of the statutes governing the System. If an

1 eligible beneficiary or joint annuitant is named at the time of
2 retirement, and becomes a beneficiary of a trust under one of the
3 Trust Acts described herein after that time, the System will
4 acknowledge the trust as the beneficiary upon the submission of
5 adequate documentation of the existence of the trust. All other
6 provisions of this subsection shall apply to these subsequently
7 created trusts.

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

13 (9) The governing board of any "public school", as that term is
14 defined in Section 17-101 of this title, is hereby authorized and
15 empowered to pay additional retirement allowances or compensation to
16 any person who was in the employ of such public school for not less
17 than seven (7) school years preceding the date of his or her
18 retirement. Payments so made shall be a proper charge against the
19 current appropriation or appropriations of any such public school
20 for salaries for the fiscal year in which such payments are made.
21 Such payments shall be made in regular monthly installments in such
22 amounts as the governing board of any such public school, in its
23 judgment, shall determine to be reasonable and appropriate in view
24 of the length and type of service rendered by any such person to

1 such public school by which such person was employed at the time of
2 retirement. All such additional payments shall be uniform, based
3 upon the length of service and the type of services performed, to
4 persons formerly employed by such public school who have retired or
5 been retired in accordance with the provisions of Section 17-101 et
6 seq. of this title.

7 The governing board of any such public school may adopt rules
8 and regulations of general application outlining the terms and
9 conditions under which such additional retirement benefits shall be
10 paid, and all decisions of such board shall be final.

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

14 (11) Upon the death of an in-service member, the System shall
15 pay to the designated beneficiary of the member or, if there is no
16 designated beneficiary or if the designated beneficiary predeceases
17 the member, to the estate of the member, the sum of Eighteen
18 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the
19 deceased member had ten (10) years or more of creditable service,
20 the member's designated beneficiary may elect to receive the
21 retirement benefit to which the deceased member would have been
22 entitled at the time of death under the Option 2 plan of retirement
23 in lieu of the death benefit provided for in this subsection.
24 Provided further, the option provided in this subsection is only

1 available when the member has designated one individual as the
2 designated beneficiary. The beneficiary or beneficiaries of death
3 benefits in the amount not to exceed Eighteen Thousand Dollars
4 (\$18,000.00), but exclusive of any retirement benefit received by an
5 electing beneficiary based upon creditable service performed by the
6 deceased member, which are provided pursuant to this subsection, may
7 elect to disclaim such death benefits in which case such benefits
8 will be transferred to a person licensed as a funeral director or to
9 a lawfully recognized business entity licensed as required by law to
10 provide funeral services for the deceased member. The qualified
11 disclaimer must be in writing and will be an irrevocable and an
12 unqualified refusal to accept all or a portion of the death benefit.
13 It must be received by the transferor no more than nine (9) months
14 after the later of the day the transfer creating the interest in the
15 disclaiming person is made or the day the disclaiming person attains
16 age twenty-one (21). The interest in the death benefits must pass
17 without direction by the disclaiming person to another person.
18 After paying death benefits to any beneficiary or the member's
19 estate pursuant to this subsection, the System is discharged and
20 released from any and all liability, obligation, and costs. The
21 System is not required to inquire into the truth of any matter
22 specified in this subsection or into the payment of any estate tax
23 liability.
24

1 (12) Upon the death of a retired member who has contributed to
2 the System, the retirement system shall pay to the designated
3 beneficiary of the member or, if there is no designated beneficiary
4 or if the designated beneficiary predeceases the member, to the
5 estate of the member, the sum of Five Thousand Dollars (\$5,000.00)
6 as a death benefit. The beneficiary or beneficiaries of benefits
7 provided pursuant to this subsection may elect to disclaim such
8 death benefits in which case such benefits will be transferred to a
9 person licensed as a funeral director or to a lawfully recognized
10 business entity licensed as required by law to provide funeral
11 services for the deceased member. The qualified disclaimer must be
12 in writing and will be an irrevocable and an unqualified refusal to
13 accept all or a portion of the death benefit. It must be received
14 by the transferor no more than nine (9) months after the later of
15 the day the transfer creating the interest in the disclaiming person
16 is made or the day the disclaiming person attains age twenty-one
17 (21). The interest in the death benefits must pass without
18 direction by the disclaiming person to another person. The benefit
19 payable pursuant to this subsection shall be deemed, for purposes of
20 federal income taxation, as life insurance proceeds and not as a
21 death benefit if the Internal Revenue Service approves this
22 provision pursuant to a private letter ruling request which shall be
23 submitted by the Board of Trustees of the System for that purpose.
24 After paying death benefits to any beneficiary or the member's

1 estate pursuant to this subsection, the System is discharged and
2 released from any and all liability, obligation, and costs. The
3 System is not required to inquire into the truth of any matter
4 specified in this subsection or into the payment of any estate tax
5 liability.

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

13 (a) Before any applicable probate procedure may be waived, the
14 System must be in receipt of the member's ~~proof of~~ death certificate
15 and the following documents from those persons claiming to be the
16 legal heirs of the deceased member:

- 17 1. The member's valid last will and testament, trust
18 documents or affidavit that a will does not exist;
- 19 2. An affidavit or affidavits of heirship which must
20 state:
 - 21 a. the names and signatures of all claiming heirs to
22 the deceased member's estate including the
23 claiming heirs' names, relationship to the
24

1 deceased, current addresses, tax I.D. numbers if
2 known and current telephone numbers,

3 b. a statement or statements by the claiming heirs
4 that no application or petition for the
5 appointment of a personal representative is
6 pending or has been granted in any jurisdiction,

7 c. a description of the personal property claimed,
8 (i.e., death benefit or unpaid contributions or
9 both) together with a statement that such
10 personal property is subject to probate,

11 d. a statement by each individual claiming heir
12 identifying the amount of personal property that
13 the heir is claiming from the System, and that
14 the heir has been notified of, is aware of and
15 consents to the identified claims of all the
16 other claiming heirs of the deceased member
17 pending with the System;

18 3. A written agreement or agreements signed by all
19 claiming heirs of the deceased member which provides
20 that the claiming heirs release, discharge and hold
21 harmless the System from any and all liability,
22 obligations and costs which it may incur as a result
23 of making a payment to any of the deceased member's
24 heirs;

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

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

8 (b) The Executive Director of the System shall retain complete
9 discretion in determining which requests for probate waiver may be
10 granted or denied, for any reason. Should the System have any
11 question as to the validity of any document presented by the
12 claiming heirs, or as to any statement or assertion contained
13 therein, the probate requirement provided for in Section 1 et seq.
14 of Title 58 of the Oklahoma Statutes shall not be waived.

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

22 (14) Upon the death of a retired member, the benefit payment
23 for the month in which the retired member died, if not previously
24 paid, shall be made to the joint annuitant if still living, to the

1 beneficiary of the member if the joint annuitant is deceased, or to
2 the member's estate if there is no surviving joint annuitant or
3 beneficiary. Such benefit payment shall be made in an amount equal
4 to a full monthly benefit payment regardless of the day of the month
5 in which the retired member died.

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

8 Section 17-105.1 In the event the total retirement payments
9 made to a retired member and the retired member's joint annuitant,
10 if any, are less than the member's accumulated contributions with
11 interest as credited at the time of retirement under Section 17-105
12 of this title, the difference shall be paid to the member's
13 designated beneficiary or if no designated beneficiary survives,
14 then to the member's ~~nearest surviving next of kin as determined by~~
15 ~~law~~ estate. This provision shall apply to retired members dying on
16 or after July 1, 1979. After paying unpaid accumulated
17 contributions to any designated beneficiary or the member's estate
18 pursuant to this section, the System is discharged and released from
19 any and all liability, obligation, and costs. The System is not
20 required to inquire into the truth of any matter specified in this
21 section or into the payment of any estate tax liability.

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

24

1 Section 17-106.3 A. All employee and employer contributions
2 and dedicated revenues shall be deposited in the Oklahoma Teachers'
3 Retirement Fund in the State Treasury. The Board of Trustees shall
4 have the responsibility for the management of the Oklahoma Teachers'
5 Retirement Fund, and may transfer monies used for investment
6 purposes by the Teachers' Retirement System of Oklahoma from the
7 Oklahoma Teachers' Retirement Fund in the State Treasury to the
8 custodian bank or trust company of the System.

9 B. All benefits payable pursuant to the provisions of the
10 Teachers' Retirement System of Oklahoma, refunds of contribution and
11 overpayments, and all administrative expenses in connection with the
12 System shall be paid from the Oklahoma Teachers' Retirement Fund
13 upon warrants or vouchers signed by two persons designated by the
14 Board of Trustees. ~~All expenses of the administration of the Tax-~~
15 ~~Sheltered Annuity Fund shall be paid from the Oklahoma Teachers'~~
16 ~~Retirement Fund.~~ The Board of Trustees may transfer monies from the
17 custodian bank or trust company of the System to the Oklahoma
18 Teachers' Retirement Fund in the State Treasury for the purposes
19 specified in this subsection.

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

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

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

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

7 ~~3.~~ 2. there shall be deducted from the annual interest on
 8 investments an amount of money necessary for the operation of the
 9 Teachers' Retirement System of Oklahoma; and

10 ~~4.~~ 3. any residue remaining in the Interest Fund after the
 11 requirements of paragraphs 1 ~~through 3~~ and 2 of this section have
 12 been fully met shall be used for the purpose of paying retirement
 13 benefits to the retirees of the Teachers' Retirement System of
 14 Oklahoma and transferred to the Retirement Benefit Fund; the
 15 interest income shall be distributed to the various funds on June 30
 16 each year.

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

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

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

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

4 3. there shall be deducted from the annual interest on
5 investments an amount of money necessary for the operation of the
6 Teachers' Retirement System of Oklahoma; and

7 4. any residue remaining in the Interest Fund after the
8 requirements of paragraphs 1 through 3 of this section have been
9 fully met shall be used for the purpose of paying retirement
10 benefits to the retirees of the Teachers' Retirement System of
11 Oklahoma and transferred to the Retirement Benefit Fund; the
12 interest income shall be distributed to the various funds on June 30
13 each year.

14 SECTION 8. AMENDATORY 70 O.S. 2021, Section 17-108, is
15 amended to read as follows:

16 Section 17-108. A. Each local school district, or state
17 college or university, or State Board of Education, or State Board
18 of Career and Technology Education, or other state agencies whose
19 employees are members of the Teachers' Retirement System
20 ("participating employers"), shall match, on a pro rata basis, in
21 accordance with subsection B of this section the contributions of
22 members whose salaries are paid by federal funds or externally
23 sponsored agreements such as grants, contracts and cooperative
24 agreements. These funds shall be remitted at the same time as the

1 regular contributions of members are remitted to the Teachers'
2 Retirement System of Oklahoma and deposited in the Retirement
3 Benefit Fund.

4 B. On an annual basis, the Board of Trustees shall set two
5 contribution rates to be paid by contributing employers as provided
6 in subsection A of this section. Both contribution rates shall be
7 determined using cost principles established by federal regulations
8 and shall be consistent with policies, regulations and procedures
9 that apply uniformly to both federally assisted and other
10 activities, and be accorded consistent treatment through application
11 of generally accepted accounting principles. The Board shall
12 approve the contribution rates for each fiscal year ending June 30,
13 no later than April 1 of the previous fiscal year. The first rate
14 shall be applied to service performed during the regular school year
15 of the participating employer. The second rate shall be applied to
16 service performed by members during a summer school program of the
17 participating employer. For the purposes of this subsection,
18 "summer school program" is defined as a program offering academic
19 enrichment for students from Pre-K through 12th grades during the
20 summer term after the close of the school year. Members shall only
21 be considered as providing service to a summer school program if
22 such service is provided pursuant to a separate summer school
23 contract between the member and the participating employer. The
24 term "summer school program" does not include services performed at

1 a participating employer offering an extended school year pursuant
2 to Section 1-109.1 of this title, or services performed by staff
3 pursuant to a twelve-month contract with the employer. The method
4 applied to setting the second contribution rate may take into
5 consideration whether, or to what extent, such service is likely to
6 add to members' service credit or final average salary; provided,
7 however, the second rate shall not exceed one-half (1/2) of the
8 first rate established in this subsection. The actuary retained by
9 the Board may recommend such rates using assumptions that apply to
10 the group of those members whose service is subject to the second
11 contribution rate.

12 C. All the assets of the retirement system shall be credited
13 according to the purpose for which they are held to one of ~~eight~~
14 seven funds, namely: The Teachers' Savings Fund, the Retirement
15 Benefit Fund, the Interest Fund, the Permanent Retirement Fund, the
16 Expense Fund, the Suspense Fund, ~~the Teachers' Deposit Fund,~~ and the
17 Retiree Medical Benefit Fund.

18 1. The Teachers' Savings Fund shall be a fund in which shall be
19 accumulated the regular contributions from the compensation of
20 members, including applicable interest earnings prior to July 1,
21 1968. Contributions to and payments from the Teachers' Savings Fund
22 shall be made as specifically provided in each plan available within
23 the retirement system.

24

1 2. The deductions provided for in the plans within the
2 retirement system shall be made notwithstanding that the minimum
3 compensation provided for any member shall be reduced thereby.
4 Every member shall be deemed to consent and agree to the deductions
5 made and provided for herein and payment of salary or compensation,
6 less the deduction, shall be a full and complete discharge and
7 acquittance of all claims and demands whatsoever for the services
8 rendered by such person during the period covered by such payment,
9 except as to the benefits provided under this act. The employer
10 shall certify to the Board of Trustees on each and every payroll, or
11 in such other manner as the Board may prescribe, the amounts to be
12 deducted, and each of the amounts shall be deducted, and when
13 deducted shall be paid into the Teachers' Savings Fund, and shall be
14 credited to the individual account of the member from whose
15 compensation the deduction was made.

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

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

4 5. Retirement Benefit Fund.

5 a. After August 2, 1969, there shall be transferred from
6 the Teachers' Savings Fund for those members drawing
7 retirement benefits from the Teachers' Retirement
8 System of Oklahoma an amount necessary to provide the
9 monthly annuity payments and ~~pension~~ payments as
10 required in Section 17-107 of this title. In addition
11 the fund shall consist of monies received from any
12 state dedicated revenue, monies received from state
13 appropriations, monies received from federal matching
14 funds, and the residue of the interest on investments
15 after the requirements of Section 17-107 of this title
16 have been fully met. The Retirement Benefit Fund
17 shall consist of an amount of money necessary for the
18 making of retirement payments to retirees.

19 b. ~~Should a member have deposits in the Teachers' Deposit~~
20 ~~Fund or the Tax-Sheltered Annuity Fund and wish to~~
21 ~~receive monthly retirement benefits on such deposits,~~
22 ~~the actuarial equivalent of a two-year period and each~~
23 ~~succeeding fiscal year thereafter shall be transferred~~
24 ~~to the Retirement Benefit Fund. The member may choose~~

1 ~~any of the plans available in the Teachers' Retirement~~
2 ~~Act as a method of receiving monthly retirement~~
3 ~~benefits on the money he has on deposit in the~~
4 ~~Teachers' Deposit Fund or the Tax Sheltered Annuity~~
5 ~~Fund. The monthly retirement benefits paid from the~~
6 ~~Teachers' Deposit Fund or the Tax Sheltered Annuity~~
7 ~~Fund shall be in addition to the regular retirement~~
8 ~~benefits and the money transferred from the Teachers'~~
9 ~~Deposit Fund or Tax Sheltered Annuity Fund shall not~~
10 ~~be matched by the State of Oklahoma.~~

11 ~~e.~~ From the Retirement Benefit Fund shall be paid all
12 monthly retirement benefits allowances.

13 ~~d.~~ ~~At the death of a retired member who has retired under~~
14 ~~the Maximum Plan of Retirement, Option 1 or Option 4,~~
15 ~~the balance of money the member has in the Teachers'~~
16 ~~Savings Fund shall be transferred to the Retirement~~
17 ~~Benefit Fund and the amount due the beneficiary or his~~
18 ~~or her estate under Option 1 or Option 4 shall be paid~~
19 ~~from the Retirement Benefit Fund.~~

20 ~~e.~~ ~~At the death of both a retired member and the retired~~
21 ~~member's spouse, who had retired under Option 2 or 3,~~
22 ~~any balance in the Teachers' Savings Fund shall be~~
23 ~~transferred from the Teachers' Savings Fund to the~~
24 ~~Retirement Benefit Fund.~~

1 ~~f. At the death of a retired member who had retired under~~
2 ~~Option 5, the balance of any monies the member had in~~
3 ~~the Teachers' Savings Fund shall be transferred to the~~
4 ~~Retirement Benefit Fund for the purpose of making a~~
5 ~~lump sum settlement to the beneficiary or his estate.~~
6 ~~Providing that if the surviving spouse elects to~~
7 ~~receive the balance under the Maximum Plan of~~
8 ~~Retirement or Option 1 the member's money, if any, on~~
9 ~~a monthly basis, constituting actuarial equivalent of~~
10 ~~two (2) years' payments, and each year thereafter the~~
11 ~~annual actuarial equivalent, shall be transferred from~~
12 ~~the Teachers' Savings Fund for the purpose of paying~~
13 ~~monthly retirement benefits to the spouse under this~~
14 ~~option.~~

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

21 7. The Permanent Retirement Fund shall consist of the
22 accumulated gifts, awards, and bequests made to the retirement
23 system, and transfers from the Suspense Fund, the principal of which
24 is hereby held and dedicated as a perpetual endowment of the

1 retirement system and shall not be diverted or appropriated to any
2 other cause or purpose unless specifically provided for in such
3 gifts, awards or bequests.

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

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

12 All monies for the operation of the Teachers' Retirement System
13 of Oklahoma shall be paid from the Expense Fund upon the approval by
14 the Board of Trustees and the checks signed by two people designated
15 to sign such checks by the Board of Trustees of the Teachers'
16 Retirement System of Oklahoma.

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

21 10. ~~Teachers' Deposit Fund.~~

22 ~~Any member may request, prior to a pay period, that his or her~~
23 ~~employer make additional deposits for him or her, for tax-sheltered~~
24 ~~annuity purposes. However, the amount deposited shall not exceed~~

1 ~~the limits as defined in Section 402(g) and Section 415 of the~~
2 ~~Internal Revenue Code of 1986, as amended, and applicable federal~~
3 ~~regulations. All such deposits shall be credited to the member's~~
4 ~~account in the Teachers' Deposit Fund for the purchase of a tax-~~
5 ~~sheltered annuity. The amount thus accumulated, with earnings,~~
6 ~~shall be used upon the member's retirement, separation from service,~~
7 ~~death or disability to purchase an annuity in addition to his or her~~
8 ~~regular service retirement allowance. The amount a member~~
9 ~~accumulates in the Teachers' Deposit Fund, not including interest,~~
10 ~~may be used to pay distributions in the case of hardship as provided~~
11 ~~in Section 403(b)(11) of the Internal Revenue Code of 1986, as~~
12 ~~amended, and applicable federal regulations.~~

13 ~~11.~~ Collection of Contributions.

14 The collection of members' contributions shall be as
15 follows:

16 (1) Each employer shall cause to be deducted on each
17 and every payroll or claim of a member for each
18 and every payroll claim period subsequent to the
19 date of establishment of the retirement system
20 the contribution payable by such member as
21 provided in this act. With each and every
22 payroll or claim the employer shall deliver to
23 the treasurer of the employer warrants issued to
24 the employees as shown to be due by the payroll

1 or claim, together with a warrant or warrants in
2 favor of the Teachers' Retirement System as shown
3 by the payroll or claim.

4 (2) The treasurer or disbursing officer upon delivery
5 of the warrants and a true copy of the payroll or
6 claims as provided above shall register the
7 warrants as provided for the registration of
8 other school warrants, and shall deliver to the
9 employer warrants issued in favor of the
10 employees, and shall deliver warrants issued in
11 favor of the Teachers' Retirement System and the
12 copy of the payroll or claims to the school
13 district superintendent as designated by the
14 Board of Trustees. For the purpose of collecting
15 contributions of teachers in the public schools,
16 the superintendent of a school district is hereby
17 designated to receive the Teachers' Retirement
18 warrants from the treasurer or proper disbursing
19 officer of the several school districts for the
20 purpose of transmitting such warrants and payroll
21 or claims to the Executive Director of the
22 Teachers' Retirement System of the State of
23 Oklahoma. Any college or university or other
24 educational institution or agency operated in

1 whole or in part by the state shall have the
2 amount retained or deducted from the funds
3 regularly appropriated by the state for the
4 current maintenance for such educational
5 departments and institutions.

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

22 (4) The State Treasurer shall furnish annually to the
23 Board of Trustees a sworn statement of the amount
24 of the funds in his or her custody belonging to

1 the retirement system. The records of the Board
2 of Trustees shall be open to public inspection
3 and any member of the retirement system shall be
4 furnished with a statement of the amount of the
5 credit to ~~his or her~~ the member's individual
6 account upon written request by such member,
7 provided the Board of Trustees shall not be
8 required to answer more than one such request of
9 a member in any one (1) year.

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

16 (6) On a showing by the Teachers' Retirement System
17 that a warrant, voucher or check issued to it
18 has, for any reason, been lost or never received,
19 after ninety (90) days from the date of issue or
20 from transmittal for payment, it shall be the
21 duty of the issuing authority forthwith, without
22 any indemnifying bond or other requirements, to
23 issue a duplicate thereof in lieu of that which
24 was lost, to the Teachers' Retirement System; and

1 the Teachers' Retirement System shall save
2 harmless any school district or agency of state
3 government making payment under the provisions
4 hereof to the State Teachers' Retirement System
5 if the original warrant, voucher or check is
6 later presented for payment and same is paid
7 after a duplicate warrant, voucher or check has
8 been issued and paid to the Teachers' Retirement
9 System, and any loss sustained therefrom shall be
10 charged to the Interest Fund.

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

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

24 ~~13.~~ 12. Retiree Medical Benefit Fund.

1 The Retiree Medical Benefit Fund shall be maintained as a
2 subaccount under the Retirement Benefit Fund. The Retiree Medical
3 Benefit Fund is composed of all assets contributed to this
4 subaccount to pay the retirement system's portion of the monthly
5 retiree health insurance benefits described in Section 1316.3 of
6 Title 74 of the Oklahoma Statutes. All allocated assets and the
7 earnings thereon in the Retiree Medical Benefit Fund shall be held
8 for the exclusive purpose of providing retiree medical benefits
9 pursuant to Section 1316.3 of Title 74 of the Oklahoma Statutes.
10 The Retiree Medical Benefit Fund shall be administered in accordance
11 with the requirements under Section 401(h) of the Internal Revenue
12 Code of 1986, as amended from time to time. An amount necessary to
13 pay the health insurance premiums for retired members as provided by
14 Section 1316.3 of Title 74 of the Oklahoma Statutes shall be
15 deposited each month into the Retiree Medical Benefit Fund.

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

18 Section 17-116.10 A. Subject to the requirements of Section 6-
19 101.2 of this title and any other applicable requirements of law, a
20 member may enter into postretirement employment with a public school
21 of Oklahoma and still receive monthly retirement benefits subject to
22 the following limitations:

23 1. A retired member is not eligible to be employed by the
24 public schools of Oklahoma, in any capacity, for sixty (60) calendar

1 days between the retiree's last day of preretirement public
2 education employment and any postretirement public education
3 employment. For purposes of this section, the term "last day of
4 preretirement employment" shall mean the last day the employee is
5 required to be physically present on the job to complete the terms
6 of the employment contract or agreement or the member's effective
7 retirement date, whichever is later. An employee on paid leave is
8 still considered to be employed for purposes of this section.

9 Employment under any conditions during this time, volunteer services
10 for the purpose of obtaining a paid position at a later date, or
11 payment at a later time for services performed during this time
12 period shall cause the forfeiture of all retirement benefits
13 received during the period;

14 2. ~~Unless otherwise provided in paragraph 3 of this subsection,~~
15 ~~earnings from the public schools may not exceed one-half (1/2) of~~
16 ~~the member's final average salary used in computing retirement~~
17 ~~benefits, or the Earnings Limitation for employees allowed by the~~
18 ~~Social Security Administration, whichever is less. For thirty-six~~
19 ~~(36) months following a member's effective retirement date, the~~
20 ~~retired member shall be subject to earnings limitations on allowable~~
21 ~~earnings. Earnings limits are determined annually based on a~~
22 ~~calendar year.~~ For retired members under the age of sixty-two (62)
23 years, ~~the limit on~~ allowed earnings from the public schools of
24 Oklahoma for employment for the performance of duties ordinarily

1 performed by classified or nonclassified personnel shall be ~~the~~
2 ~~lesser of Fifteen Thousand Dollars (\$15,000.00) or~~ limited to one-
3 half (1/2) of the member's final average salary used in computing
4 retirement benefits ~~unless~~ or the earnings ~~limitation~~ limit allowed
5 by the Social Security Administration ~~would be greater than Fifteen~~
6 ~~Thousand Dollars (\$15,000.00)~~ for those under Social Security's full
7 retirement age, whichever is less. For retired members sixty-two
8 (62) years of age or older ~~the limit on,~~ allowed earnings from the
9 public schools of Oklahoma for the performance of duties ordinarily
10 performed by classified or nonclassified personnel shall be ~~the~~
11 ~~lesser of~~ limited to Thirty Thousand Dollars (\$30,000.00) or one-
12 half (1/2) of the member's final average salary used in computing
13 retirement benefits, whichever is less. For purposes of this
14 paragraph, the following shall apply:

15 a. earnings shall mean "regular annual compensation" as
16 defined in paragraph ~~(25)~~ (22) of Section 17-101 of
17 this title, and shall include any payment by a public
18 school for services rendered by a retired member who
19 is employed for any purpose whatsoever. Supplemental
20 retirement payments paid by a former public school
21 employer pursuant to subsection (9) of Section 17-105
22 of this title or other state law shall not be
23 considered as earnings,

24

- 1 ~~b. the Earnings Limitation for employees allowed by the~~
2 ~~Social Security Administration to workers between the~~
3 ~~age of sixty two (62) years and sixty five (65) years~~
4 ~~shall apply to retired members below the age of sixty~~
5 ~~two (62) years,~~
- 6 ~~e. the limit on allowed earnings from the public schools~~
7 ~~shall be automatically adjusted effective the first~~
8 ~~day of January of each year to reflect the current~~
9 ~~Earnings Limitation for employees as determined from~~
10 ~~time to time by the Social Security Administration,~~
- 11 ~~d.~~ the earnings limit for the calendar year in which a
12 member retires shall be one-twelfth (1/12) of the
13 annual limit multiplied by the number of months the
14 member is eligible to work and receive payments from
15 the public schools of Oklahoma,
- 16 ~~e.~~
- 17 c. earnings in excess of the maximum limit on allowed
18 earnings from public schools of Oklahoma shall result
19 in a loss of future retirement benefits ~~for the year~~
20 ~~the postretirement employment was performed~~ of One
21 Dollar (\$1.00) for each One Dollar (\$1.00) earned over
22 the maximum allowed earnings amount,
- 23 ~~f. for those members age seventy (70) years and over, the~~
24 ~~earnings in excess of the maximum limit allowed~~

1 ~~earnings from public schools of Oklahoma shall be one~~
2 ~~half (1/2) the member's final average salary used in~~
3 ~~computing retirement benefits. However, any retired~~
4 ~~member receiving benefits from the Retirement System~~
5 ~~who reached age seventy (70) years prior to July 1,~~
6 ~~1991, shall not be restricted by the earnings limits~~
7 ~~pursuant to this subparagraph until January 1, 1994.~~
8 ~~To qualify for the provisions of this subparagraph,~~
9 ~~the member must be employed less than one-half (1/2)~~
10 ~~time compared to other full-time employees in similar~~
11 ~~positions;~~

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

1 For a period of three (3) years beginning July 1, 2021, members who
2 have retired as of July 1, 2020, who have been retired and receiving
3 a benefit for at least one (1) year, and who have not been employed
4 by any public school during that one-year period, shall be eligible
5 to be reemployed as an active classroom teacher in common or career
6 tech school districts, with no limitations on earnings. The one-
7 year period starts with the retiree's last day of preretirement
8 public education employment. Members returning under this section
9 shall not be subject to any earning limitations following the end of
10 the three-year periods described in this paragraph. Members
11 returning under this section shall only be employed pursuant to a
12 temporary contract; and

13 4. A member shall be considered to be employed by a school
14 district to perform the duties ordinarily performed by classified or
15 nonclassified personnel if the member is hired by the school
16 district in the member's individual capacity to perform the duties
17 or if the member performs the duties through employment with a
18 proprietorship, partnership, corporation, limited liability company
19 or partnership, or any other business structure that has agreed or
20 contracted to provide the services to the school district.

21 B. A public school district that employs a retired member shall
22 be required to make contributions to the System for the retired
23 member in an amount as required in Section 17-108.1 and in paragraph
24 3 of subsection B of Section 17-116.2 of this title.

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

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

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

14 SECTION 10. REPEALER 70 O.S. 2021, Sections 17-104 and
15 17-114.2, are hereby repealed.

16 SECTION 11. This act shall become effective July 1, 2023.

17 SECTION 12. It being immediately necessary for the preservation
18 of the public peace, health or safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

21

22 59-1-7180 CMA 02/16/23

23

24