

# An Act

ENROLLED HOUSE  
BILL NO. 2528

By: Lepak of the House

and

Pemberton and Garvin of the  
Senate

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, 17-104, 17-105, 17-105.1, 17-106.3, 17-107, 17-108, and 17-116.10 (70 O.S. Supp. 2023, Section 17-101), which relate to the Teachers' Retirement System of Oklahoma; deleting terms; modifying definitions; modifying how members shall make proper application for retirement; providing membership details; modifying requirements for reporting prior service credit; 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; updating statutory language; updating statutory references; repealing 70 O.S. 2021, Section 17-114.2, which relates to the Teachers' Retirement System of Oklahoma; providing an effective date; and declaring an emergency.

SUBJECT: Retirement

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. 2023, Section 17-101), is amended to read as follows:

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

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

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

~~(3)~~ 3. "Classified personnel" shall mean any teacher, principal, superintendent, supervisor, administrator, librarian, certified or registered nurse, college professor, or college president whose salary is paid wholly or in part from public funds. An employee of any state department, board, board of regents, or board of trustees, who is in a supervisory or an administrative position, the function of which is primarily devoted to public education, shall be considered classified personnel under the meaning of Section 17-101 et seq. of this title, at the discretion of the Board of Trustees of the Teachers' Retirement System of Oklahoma. The term "teacher" shall also include instructors and counselors employed by the Department of Corrections and holding valid teaching certificates issued by the State Department of Education. Provided, that a person employed by the Department of Corrections as an instructor or counselor shall have been actively engaged in the teaching profession for a period ~~of~~ not less than three (3) years prior to employment to be eligible to participate in the Teachers' Retirement System of Oklahoma. The Department of Corrections shall contribute the employer's share to the Teachers' Retirement System of Oklahoma~~;~~;

~~(4)~~ 4. "Nonclassified optional personnel" shall include persons hired as adjunct teachers pursuant to subsection G of Section 6-122.3 of this title, cooks, janitors, maintenance personnel not in a supervisory capacity, bus drivers, noncertified or nonregistered nurses, noncertified librarians, and clerical employees of the public schools, state colleges, universities, or any state department, board, board of regents, or board of trustees, the

functions of which are primarily devoted to public education and whose salaries are paid wholly or in part from public funds-;

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

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

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

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

~~(9)~~ 8. "Prior service" shall mean withdrawn service rendered ~~prior to July 1, 1943.~~, provided:

- a. before July 1, 2021, prior service shall exclude service attributable to any membership period during which nonclassified optional members voluntarily ceased contributions while remaining employed in public education or voluntarily withdrew from membership in the System, and
- b. on and after July 1, 2021, prior service shall exclude service attributable to any period of time during which nonclassified optional members opted out of membership in the System;

~~(10)~~ 9. "Membership service" shall mean service as a member of the classified or nonclassified optional personnel as defined in paragraphs ~~(3)~~ 3 and ~~(4)~~ 4 of this section-;

~~(11)~~ 10. "Creditable service" shall mean membership service plus any ~~prior~~ other service authorized under this title~~;~~;

~~(12)~~ 11. "Annuitant" shall mean any person in receipt of a ~~retirement allowance as provided in this title.~~ an annuity as defined in paragraph 15 of this section;

~~(13)~~ 12. "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to ~~his~~ the member's individual account in the Teachers' Savings Fund, together with applicable interest as of June 30, 1968~~;~~;

~~(14)~~ 13. "Earnable compensation" shall mean the full rate of the compensation that would be payable to a member ~~if he~~ who worked the full normal working time~~;~~;

~~(15)~~ 14. "Average salary":

~~(a)~~

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

~~(b)~~

b. for those members who join the System after June 30, 1992, shall mean the average of the salaries for five

(5) consecutive years on which the highest ~~contribution~~ contributions to the Teachers' Retirement System ~~was~~ of Oklahoma were paid. Only salary on which required contributions have been made may be used in computing average salary-; i

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

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

~~(18)~~ "Monthly retirement allowance"

16. "Retirement allowance" is one-twelfth (1/12) of the annual retirement ~~allowance~~ benefit which shall be payable monthly-; i

~~(19)~~ 17. "Retirement Benefit Fund" shall mean the fund from which all retirement benefits shall be paid based on such mortality tables as shall be adopted by the Board of Trustees-; i

~~(20)~~ 18. "Actuary" shall mean a person or firm especially skilled through training and experience in financial calculation respecting the expectancy and duration of life-; i

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

~~(22)~~ 20. The masculine pronoun, whenever used, shall include the feminine-; i

~~(23)~~ 21. "Actuarially determined cost" shall mean the single sum which is actuarially equivalent in value to a specified ~~pension~~ annuity amount as determined on the basis of mortality and interest assumptions adopted by the Board of Trustees-; i

~~(24)~~ 22. "Normal retirement age" means the earliest date upon which:

~~(a)~~

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

~~(b)~~

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

~~(c)~~

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

~~(d)~~

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

~~(25)~~ 23. "Regular annual compensation" means salary plus fringe benefits, excluding the flexible benefit allowance pursuant to Section 26-105 of this title ~~and for purposes pursuant to Section 17-101 et seq. of this title.~~ For purposes of this definition, regular annual compensation shall include:

~~(a)~~

a. salary which accrues on a regular basis in proportion to the service performed including payments for staff development,

~~(b)~~

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

~~(c)~~

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

~~(d)~~

d. excluded from regular annual compensation are:

~~1.~~

(1) expense reimbursement payments,

~~2.~~

(2) office, vehicle, housing, or other maintenance allowances,

~~3.~~

(3) the flexible benefit allowance provided pursuant to Section 26-105 of this title,

~~4.~~

(4) payment for unused vacation and sick leave,

~~5.~~

(5) any payment made for reason of termination or retirement not specifically provided for in ~~subparagraphs (a) through (e)~~ divisions (1) through (3) of this ~~subsection~~ subparagraph,

~~6.~~

(6) maintenance or other nonmonetary compensation,

~~7.~~

(7) payment received as an independent contractor or consultant, pursuant to a lawful contract which complies with the requirements of subsection B of Section 6-101.2 of this title,

~~8.~~

(8) any benefit payments not made pursuant to a valid employment agreement,

~~9.~~

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

~~10.~~

(10) any other compensation not described in subparagraphs ~~(a) a~~ through ~~(e) c~~ of this ~~subsection.~~ paragraph;

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

~~(27) 24.~~ "Active classroom teacher" means a person employed by a school district to teach students specifically identified classes for specifically identified subjects during the course of a



semester, and who holds a valid certificate or license issued by and in accordance with the rules and regulations of the State Board of Education-;

~~(28)~~ 25. "Maximum compensation level" shall, except as otherwise authorized pursuant to the provisions of Section 17-116.2C of this title, mean:

~~(a)~~

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

~~(b)~~

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

~~(c)~~

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

~~(d)~~

d. Thirty-two Thousand Five Hundred Dollars (\$32,500.00) for members employed by a comprehensive university if the member meets the requirements imposed by Section 17-116.2A of this title and the member elects to impose a higher maximum compensation level for service

performed on or after July 1, 1995, but not later than June 30, 1996,

~~(e)~~

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

~~(f)~~

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

~~(g)~~

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

~~1.~~

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

~~(i)~~

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

~~(ii)~~

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

~~(iii)~~

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

~~(iv)~~

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

~~(v)~~

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

~~(vi)~~

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

~~(vii)~~

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

~~(viii)~~

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

~~(ix)~~

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

~~(x)~~

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

~~(xi)~~

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

~~2.~~

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

~~(i)~~

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

~~(ii)~~

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

~~(iii)~~

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

~~(iv)~~

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

~~(v)~~

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

~~(vi)~~

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

~~(vii)~~

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

~~(viii)~~

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

~~(ix)~~

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

~~(\*)~~

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

~~(xi)~~

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

~~(h)~~

h. the full amount of regular annual compensation of:

~~1.~~

(1) a member of the retirement system not employed by an entity or institution within The Oklahoma State System of Higher Education for all creditable service authorized and performed on or after July 1, 1995,

~~2.~~

(2) a member of the retirement system first employed on or after July 1, 1995, by an entity or institution within The Oklahoma State System of Higher Education for all creditable service authorized and performed on or after July 1, 1995, but not later than June 30, 1996,

~~3.~~

(3) a member of the retirement system employed by an entity or institution within The Oklahoma State System of Higher Education, other than a comprehensive university, if the member elects to

impose a higher maximum compensation level for service performed on or after July 1, 1995, but not later than June 30, 1996, pursuant to subsection B of Section 17-116.2A of this title,

~~4.~~

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

~~5.~~

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

~~6.~~

(6) a member of the retirement system employed by a comprehensive university for all service performed on and after July 1, 2007, or

~~7.~~

(7) an eligible member of the retirement system who fulfills the requirements of Section 17-116.2C of this title with respect to pre-cap removal service included in the retirement benefit computation of the member at the average salary of the member subject to the maximum average salary amount; and

~~(29)~~ 26. "Comprehensive university" shall mean:

~~(a)~~

a. the University of Oklahoma and all of its constituent agencies including the University of Oklahoma Health Sciences Center, the University of Oklahoma Law Center, and the Oklahoma Geological Survey, and

~~(b)~~

b. Oklahoma State University and all of its constituent agencies including the Oklahoma State University Agricultural Experiment Station, the Oklahoma State University Agricultural Extension Division, the Oklahoma State University College of Veterinary Medicine, the Oklahoma State University Center for Health Sciences, the Technical Branch at ~~Oklahoma City~~ OSU-Oklahoma City, the Oklahoma State University Institute of Technology-Okmulgee, and Oklahoma State University-Tulsa.

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

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

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

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

B. For the period from August 2, 1969, to ~~the effective date of this act~~ June 30, 2021, all full-time nonclassified optional personnel regularly employed for more than one (1) year may join the Teachers' Retirement System of Oklahoma subject to the rules and regulations adopted pursuant to the Teachers' Retirement System of Oklahoma. On or after ~~the effective date of this act~~ July 1, 2021, all nonclassified optional personnel regularly employed for twenty (20) hours or more per week may join the System upon hiring or eligibility, subject to the provisions of subsection C of this section and the rules and regulations adopted by the System pursuant to ~~this act~~ Section 17-101 et seq. of this title.



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

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

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

4. ~~A nonclassified~~ Nonclassified optional ~~employee~~ personnel who ~~opts~~ opt out of participation in the System shall be ineligible for future participation in the System; provided, however, that if ~~the~~ such an employee is hired for a classified position, he or she shall become a member of the System pursuant to subsection A of this section but shall not be eligible for prior service credit for service performed while employed in a nonclassified position during which the employee opted out of participation in the System.

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

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

members in any such class ~~their individual entrance into the retirement system~~ optional.

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

F. Effective November 1, 2019, a retired member of the Teachers' Retirement System of Oklahoma who becomes employed by the State Department of Education for the first time on or after November 1, 2019, shall have the option to remain a member of the Teachers' Retirement System of Oklahoma subject to any applicable limitations placed on retired members returning to work or may choose to participate as an active member in the Oklahoma Public Employees Retirement System as an active member defined benefit plan or the Oklahoma Public Employees Retirement System defined contribution system, whichever is applicable under the laws and rules governing those systems.

SECTION 3. AMENDATORY 70 O.S. 2021, Section 17-104, is amended to read as follows:

Section 17-104. ~~(1) Under such rules and regulations as the Board of Trustees shall adopt, each member who became a member within one (1) year after July 1, 1943, shall file a detailed statement of all service as a member rendered by him prior to the date of establishment for which he claims credit.~~

~~(2)~~ A. The Board of Trustees of the Teachers' Retirement System of Oklahoma shall fix and determine by appropriate rules and regulations how much service in any year is equivalent to one (1) year of service, but in no case shall it allow any credit for a period of absence without pay of more than one (1) month's duration ~~nor~~ shall more than one (1) year of service be creditable for all services in one (1) school year. Service rendered for a regular school year shall be equivalent to one (1) year's year of service.

~~(a) Prior service credit shall be granted to any member who shall become a member when he has completed one (1) year of membership service credit. Prior service shall include years taught in what is now Oklahoma preceding statehood.~~

~~1. Subject to the above restrictions and to such other rules and regulations as the Board of Trustees may adopt, the Board of Trustees shall verify, as soon as practicable after the filing of such statements of service, the service therein claimed.~~

~~2. Upon verification of the statements of service, the Board of Trustees shall issue prior service certificates certifying to each member the length of service rendered prior to the date of establishment, with which he is credited on the basis of his statement of service. So long as membership continues, a prior service certificate shall be final and conclusive for retirement purposes as to such service; provided, however, the Board of Trustees may, upon request of the member, modify or correct his prior service certificate. The prior service credit and certificate of a member who has retired may be corrected, if incorrect. When the correction constitutes an addition to the retired member's service record, the Board of Trustees may grant allowance retroactively as the facts justify.~~

~~When membership ceases such prior service certificate shall become void. Should the former~~

~~B. If a member return who has previously withdrawn service returns to service in Oklahoma and completes one (1) year of membership service credit, he shall again become a member not entitled to prior service credit, with the provision that he the member may reestablish his prior service credit by redepositing in the appropriate fund the amount formerly withdrawn, with the interest at five percent (5%) per annum from the date membership ceased to the date of redeposit; provided, however, effective January 1, 1990, the rate of interest provided herein shall be ten percent (10%) per annum. No member shall be permitted to take advantage of this provision for restoration of redeposit prior service more than one time.~~

~~(b) Any person who is, or shall become, a member of the Teachers' Retirement System may receive prior service credit for not more than five (5) years of service rendered in public schools, state colleges, or state universities outside this state prior to July 1, 1943, subject to the regulations of the Board of Trustees,~~

~~provided he is not receiving, and is not eligible to receive, retirement credit or benefits for this service in any other teacher retirement system, subject to the following provision:~~

~~1. The member is required to have two (2) years of creditable service teaching earned in Oklahoma for each year of out-of-state credit granted.~~

~~(3) Any teacher who served in the Armed Forces of the United States of America prior to July 1, 1943, during World War I or World War II, whose service was terminated by an honorable discharge and who qualifies for prior service credit under the terms of this act shall be granted prior service teaching credit by the Board of Trustees for the period of such service in the Armed Forces, occurring prior to July 1, 1943, upon presentation to the Board of Trustees of satisfactory proof of such service in the Armed Forces. The amount of prior service teaching credit to be allowed such teacher shall be determined by the Board of Trustees~~

C. The Board of Trustees may adopt such other rules and regulations to verify, process, and credit the service herein claimed.

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

Section 17-105. ~~(1)~~ ~~(a)~~ A. 1. Any member who has attained age fifty-five (55) or who has completed thirty (30) years of creditable service, as defined in Section 17-101 of this title, or for any person who initially became a member prior to July 1, 1992, regardless of whether there were breaks in service after July 1, 1992, whose age and number of years of creditable service total eighty (80) may be retired upon proper application for retirement ~~on forms~~ as established by the Teachers' Retirement System and executing a retirement contract of Oklahoma. Such a retirement date will also apply to any person who became a member of the sending system as defined in ~~this act~~ Section 17-116.2 of this title, prior to July 1, 1992, regardless of whether there were breaks in service after July 1, 1992. Any person who became a member after June 30, 1992, but prior to November 1, 2011, whose age and number of years of creditable service total ninety (90) may be retired upon proper application for retirement ~~and executing a retirement contract~~ as established by the System. Any person who becomes a member on or after November 1, 2011, who attains the age of sixty-five (65) years or who reaches a normal retirement date pursuant to subparagraph ~~(d)~~

d of paragraph ~~(24)~~ 22 of Section 17-101 of this title having attained a minimum age of sixty (60) years may be retired upon proper application for retirement and executing a retirement contract as established by the System. The application shall be filed on the form provided by the Board of Trustees for this purpose, not less than sixty (60) days before the date of retirement, provided that the Executive Director may waive the sixty-day deadline for good cause shown as defined by the Board with the System in a manner required by the Board of Trustees.

~~1.~~ 2. The employer shall provide the System with the following information for a retiring member, no later than the fifteenth day of the month of retirement: last day physically on the job; last day on payroll; any regular compensation not already reported to the System; and final unused sick leave balance.

~~2.~~ 3. Failure to submit this information by the deadline, or errors in submitted information that result in a disqualification of retirement eligibility, shall be the responsibility of the employer. In cases where the error results in disqualification of retirement eligibility, it is the employer's responsibility to reemploy the member, or retain the member on the payroll, for the time period required to reach eligibility, not exceeding two (2) months.

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

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

~~(c)~~ Any member C. Individuals becoming members after July 1, 1967, through October 31, 2017, with five (5) or more years of Oklahoma service and whose accumulated contributions during such period have not been withdrawn shall be given an indefinite

extension of membership beginning with the sixth year following the member's last contributing membership.

Individuals becoming members on or after November 1, 2017, with seven (7) or more years of Oklahoma teaching service and whose accumulated contributions during such period have not been withdrawn shall be given an indefinite extension of membership beginning with the ~~sixth~~ eighth year following his or her the member's last contributing membership and shall become eligible to apply for retirement and be retired upon attaining age fifty-five (55).

~~(2) An unclassified~~

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

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

~~Any individual regardless of residence, who has a minimum of ten (10) years of teaching in Oklahoma schools prior to July 1, 1943, or who taught in Oklahoma schools prior to 1934 and thereafter taught a minimum of ten (10) years and who does not qualify under the present retirement system, or who has a minimum of thirty (30) years of teaching in Oklahoma schools and has reached seventy (70) years of age prior to July 1, 1984, and is not otherwise eligible to receive any benefits from the retirement system shall receive a minimum of One Hundred Fifty Dollars (\$150.00) per month in retirement benefits from the Teachers' Retirement System of Oklahoma plus any general increase in benefits for annuitants as may be provided hereafter by the Legislature. Each individual must apply to the Teachers' Retirement System for such benefit and provide evidence to the Teachers' Retirement System that the service was actually rendered. The surviving spouse of any person who made application for the~~

~~benefit provided for by this paragraph during his or her lifetime but did not receive the benefit may submit an application to the System for payment of the benefit for those months during the lifetime of the deceased person that he or she was eligible for but did not receive the benefit. Upon approval of the application by the Board of Trustees, the benefit shall be paid to the surviving spouse in one lump sum.~~

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

~~(5)~~ G. Upon application of a member who is actively engaged in teaching in Oklahoma or ~~his or her~~ upon application of the member's employer, any member who has been a contributing member for ten (10) years may be retired by the System subsequent to the execution and filing thereof, on a disability retirement allowance, provided that it is found by the Medical Board after medical examination of such member by a duly qualified physician that such member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent, and that such member should be retired. The System shall rely on and give full consideration to the conclusions and recommendations in the certified written report of the Medical Board of the Teachers' Retirement System of Oklahoma regarding the disability application of such member. If the Medical Board does not find that a member applying for disability retirement is mentally or physically incapacitated for performance of duty or otherwise eligible for a disability retirement, the application shall then be considered by the Board of Trustees. If a member is determined to be eligible for disability benefits pursuant to the Social Security System, then such determination shall entitle the member to the authorized disability retirement ~~allowance~~ benefits provided by law. For members who are not eligible for disability benefits pursuant to the Social Security ~~System Administration~~, the Board of Trustees and the Medical Board shall apply the same standard for which provision is made in the first two sentences of this subsection for determining the eligibility of a person for such disability benefits in making a determination of eligibility for disability benefits as authorized by this subsection.

~~(6)~~ ~~(a)~~ H. 1. A member who at the time of retirement has been found to be permanently physically or mentally incapacitated to perform the necessary duties to continue in ~~his or her~~ the member's current position shall receive a minimum monthly retirement payment for life or until such time as the member may be found to be

recovered to the point where ~~he or she~~ the member may return to teaching. Any member retired before July 1, 1992, shall be eligible to receive the monthly retirement ~~allowance~~ benefit herein provided, but such payment shall not begin until the first payment due ~~him or her~~ to the member after July 1, 1992, and shall not be retroactive. The Board of Trustees is empowered to make such rules and regulations as it considers proper to preserve equity in retirements under this provision, which shall include a provision to protect the rights of the member's spouse.

~~(b)~~ 2. A member who has qualified for retirement benefits under disability retirement shall have the total monthly payment deducted from ~~his or her~~ the member's accumulated contributions plus interest earned and any money remaining in the member's account after the above deductions at the death of the member shall be paid in a lump sum to the beneficiary or to the estate of the member. Provided, if the deceased disabled member had thirty (30) years or more of creditable service and the death occurred after June 30, 1981, and death occurred prior to the disabled member receiving twelve monthly retirement payments, a surviving spouse may elect to receive the retirement benefit to which the deceased member would have been entitled at the time of death under the Option 2 Plan of Retirement provided for in paragraph 2 of subsection ~~(8)~~ K of this section in lieu of the death benefit provided for in this ~~subsection~~ paragraph and in subsection ~~(12)~~ Q of this section.

~~(c)~~ 3. Once each year the System may require any disabled annuitant who has not yet attained the age of sixty (60) years to undergo a medical examination, such examination to be made at the place of residence for the disabled annuitant or other place mutually agreed upon by a physician or physicians designated by the System. Should any disabled annuitant who has not yet attained the age of sixty (60) years refuse to submit to at least one medical examination in any such year by a physician or physicians designated by the System ~~his or her allowance~~, the member's benefits may be discontinued until ~~he or she~~ the member submits to such examination.

~~(d)~~ 4. Should the Medical Board report and certify to the Board of Trustees that such disabled annuitant is engaged in or is able to engage in a gainful occupation paying more than the difference between ~~his or her retirement allowance and the~~ the member's average final compensation and the annual benefit amount, and should the Board of Trustees concur in such report, then the amount of ~~his or her pension~~ the member's annual benefit shall be reduced to an amount which, ~~together with his or her retirement allowance and that~~



~~amount earnable by him or her added to the member's earnings from a gainful occupation, shall equal the amount of his or her the member's average final compensation. Should his or her the member's earning capacity be later increased, the amount of his or her pension the member's annual benefit may be further modified, provided the new pension shall not exceed that amount of the pension originally granted nor an amount, which when added to the amount earnable by the member, together with his or her annuity, equals the amount of his or her average final compensation reduced.~~

~~(e) 5.~~ Should a disabled annuitant be restored to active service, ~~his or her the member's disability retirement allowance benefit shall cease and he or she the member shall again become a an active member of the Teachers' Retirement System of Oklahoma and shall make regular contributions as required under this article. The unused portion of his or her the member's accumulated contributions shall be reestablished to his or her the member's credit in the Teachers' Savings Fund. Any such prior service certificates on the basis of which his or her the member's service was computed at the time of his or her the member's retirement shall be restored to full force and effect.~~

~~(7) I.~~ Should a member before retirement under Section ~~4-101 17-101~~ et seq. of this title make application for withdrawal duly filed with the System, not earlier than four (4) months after the date of termination of ~~such service as a teacher employment with a participating employer within the System,~~ the contribution standing to the credit of ~~his or her the member's individual account in the Teachers' Savings Fund shall be paid to him or her the member or, in the event of his or her the member's death before retirement, shall be paid to such person or persons as he or she the member shall have nominated by written designation, duly executed designated in a manner required by the Board of Trustees and filed with the System; provided, however, if there be is no designated beneficiary surviving upon such death, such contributions shall be paid to his or her the member's administrators, executors, or assigns, together with interest as hereinafter provided. In lieu of a lump sum settlement at the death of the member, the amount of money the member has on deposit in the Teachers' Savings Fund and the money the member has on deposit in the Teachers' Deposit Fund may be paid in monthly payments to a designated beneficiary, who must be the spouse, under the Maximum or Option 1 Plan of Retirement providing the monthly payment shall be not less than Twenty-five Dollars (\$25.00) per month. The monthly payment shall be the actuarial equivalent of the amount becoming due at the member's death based on~~

~~the sex of the spouse and the age the spouse has attained at the last birthday prior to the member's death.~~ Provided further, if there ~~be~~ is no designated beneficiary surviving upon such death, and the contributions standing to the credit of such member do not exceed Two Hundred Dollars (\$200.00), no part of such contributions shall be subject to the payment of any expense of the last illness or funeral of the deceased member or any expense of administration of the estate of such deceased and the System, upon satisfactory proof of the death of such member and of the name or names of the person or persons who would be entitled to receive such contributions under the laws of descent and distribution of the state, may authorize the payment of accumulated contributions to such person or persons. A member terminating ~~his or her~~ membership by withdrawal after June 30, 2003, shall have the interest computed at a rate of interest determined by the Board of Trustees and paid to ~~him or her~~ the member subject to the following schedule:

~~(a)~~ 1. If termination occurs within sixteen (16) years from the date membership began, fifty percent (50%) of such interest accumulations shall be paid;

~~(b)~~ 2. With at least sixteen (16) but less than twenty-one (21) years of membership, sixty percent (60%) of such interest accumulations shall be paid;

~~(c)~~ 3. With at least twenty-one (21) but less than twenty-six (26) years of membership, seventy-five percent (75%) of such interest accumulations shall be paid; and

~~(d)~~ 4. With at least twenty-six (26) years of membership, ninety percent (90%) of such interest accumulations shall be paid.

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

~~(8)~~ ~~(a)~~ J. 1. In lieu of ~~his or her retirement allowance~~ the Maximum Retirement Allowance payable throughout life for such an amount as determined under this section, the member may select a retirement allowance for a reduced amount payable under any of the ~~following~~ options listed in subsection K of this section the present value of which is the actuarial equivalent thereof.

~~(b)~~ A member may select the option under which he or she desires to retire at the end of the school year in which he or she

~~attains age seventy (70) and the option shall be binding and cannot be changed. Provided further that if a member retires before age seventy (70), no election of an option shall be effective in case an annuitant dies before the first payment due under such option has been received.~~

~~(c) 2.~~ The first payment of any benefit selected shall be made on the first day of the month following approval of the retirement by the System. If the named ~~designated~~ joint annuitant under Option 2 or 3 dies at any time after the member's retirement date, but before the death of the member, the member shall return to the ~~retirement benefit~~ Maximum Plan of Retirement, including any ~~post retirement~~ post-retirement benefit increases the member would have received had the member not selected Option 2 or 3 ~~of this~~ pursuant to paragraph 2 or 3 of subsection K of this section. The ~~benefit~~ retirement allowance shall be determined at the date of death of the ~~designated~~ joint annuitant. This increase shall become effective the first day of the month following the date of death of the ~~designated~~ joint annuitant, and shall be payable for the member's remaining lifetime. The member shall notify the Teachers' Retirement System of Oklahoma of the death of the ~~designated~~ joint annuitant ~~in writing~~ by providing a copy of the joint annuitant's death certificate. In the absence of the ~~written notice~~ death certificate being filed by the member notifying the Teachers' Retirement System of Oklahoma of the death of the ~~designated~~ joint annuitant within six (6) months of the date of death, nothing in this subsection shall require the Teachers' Retirement System of Oklahoma to pay more than six (6) months of retrospective benefits increase.

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

2. Option 2. A member takes a reduced retirement allowance for life. Upon the death of the member the payments shall continue to the member's designated joint annuitant for the life of the joint annuitant. The written designation of the joint annuitant must be duly acknowledged and filed with the System at the time of the

member's retirement and, except as provided in paragraph ~~(e)~~ 2 of ~~this~~ subsection J of this section, cannot be changed after the effective date of the member's retirement; ~~or~~.

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

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

~~(d)~~ L. ~~Provided that Option 2 and Option 3, the options listed in paragraphs 2 and 3 of subsection K of this section shall not be available if the member's expected benefit is less than fifty percent (50%) of the lump-sum actuarial equivalent and the designated joint annuitant is not the spouse of the member.~~

~~(e)~~ M. 1. A member who chose the ~~maximum retirement benefit plan~~ Maximum Plan of Retirement at the time of retirement may make a one-time election to choose either Option 2 or 3 as prescribed in paragraph 2 or 3 of subsection K of this section and name the member's spouse as ~~designated~~ joint annuitant if the member marries after making the initial election. Such an election shall be made within one (1) year of the date of marriage. The member shall provide proof of a member's good health before the System will permit a change to either Option 2 or 3 as prescribed in paragraphs 2 and 3 of subsection K of this section and the naming of a ~~designated~~ joint annuitant. A medical examination conducted by a licensed physician is required for purposes of determining good health. Such examination must be approved by the Medical Board. The member shall be required to provide proof of age for the new

joint annuitant. The System shall adjust the ~~monthly benefit retirement allowance~~ to the actuarially equivalent amount based on the new ~~designated~~ joint annuitant's age. The Board of Trustees shall promulgate rules to implement the provisions of this subsection.

~~(f)~~ 2. A member who retires after ~~the effective date of this act~~ July 1, 2010, and has selected a retirement allowance for a reduced amount payable under one of the options provided for in ~~this subsection K of this section~~ may make a one-time irrevocable election to select a different option within sixty (60) days of the member's retirement date. The beneficiary or joint annuitant designated by the member at the time of retirement shall not be changed if the member makes the election provided for in this paragraph.

~~(g)~~ 3. Any individual who is eligible to be a beneficiary or joint annuitant of a member under ~~this subsection J of this section~~, and who is also a beneficiary of a trust created under the Oklahoma Discretionary and Special Needs Trust Act, Section 175.81 et seq. of Title 60 of the Oklahoma Statutes, or a comparable Trust Act created under the laws of another state, hereinafter collectively referred to as "Trust Acts", may be a beneficiary or joint annuitant under ~~this subsection J of this section~~ by having the trustee of the trust established for the benefit of that individual named as the legal beneficiary or joint annuitant under ~~this subsection J of this section~~. The age of that beneficiary shall be used for calculating any benefit payable to the trust under ~~this subsection J of this section~~. The beneficiary of such a trust shall be treated as the beneficiary or joint annuitant under ~~this subsection J of this section~~ except that payments of any benefits due under ~~this subsection J of this section~~ shall be payable to the lawfully appointed trustee of the trust. The obligation of the System to pay the beneficiary or joint annuitant under ~~this subsection J of this section~~ shall be satisfied by payment to the trustee whom the System, in good faith, believes to be the lawfully appointed trustee. Any conflict between the statutes creating and governing the Teachers' Retirement System of Oklahoma in Section 17-101 et seq. of this title and the provisions of any Trust Act referred to above shall be resolved in favor of the statutes governing the System. If an eligible beneficiary or joint annuitant is named at the time of retirement, and becomes a beneficiary of a trust under one of the Trust Acts described herein after that time, the System will acknowledge the trust as the beneficiary upon the submission of adequate documentation of the existence of the trust. All other

provisions of ~~this~~ subsection J of this section shall apply to these subsequently created trusts.

~~(h)~~ 4. The Board of Trustees of the System may recognize other trusts set up for the benefit of individuals otherwise eligible to be named as a beneficiary or joint annuitant under ~~this~~ subsection J of this section by administrative rule if it can be done without undue additional administrative expense of the System.

~~(9)~~ N. The governing board of any "~~public school~~" public school, as that term is defined in Section 17-101 of this title, is hereby authorized and empowered to pay additional retirement allowances or compensation to any person who was in the employ of such public school for not less than seven (7) school years preceding the date of ~~his or her~~ the member's retirement. Payments so made shall be a proper charge against the current appropriation or appropriations of any such public school for salaries for the fiscal year in which such payments are made. Such payments shall be made in regular monthly installments in such amounts as the governing board of any such public school, in its judgment, shall determine to be reasonable and appropriate in view of the length and type of service rendered by any such person to such public school by which such person was employed at the time of retirement. All such additional payments shall be uniform, based upon the length of service and the type of services performed, to persons formerly employed by such public school who have retired or been retired in accordance with the provisions of Section 17-101 et seq. of this title.

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

~~(10)~~ O. In addition to the teachers' retirement herein provided, teachers may voluntarily avail themselves of the ~~Federal~~ federal Social Security ~~Program~~ program upon a district basis.

~~(11)~~ P. Upon the death of an in-service member, the System shall pay to the designated beneficiary of the member or, if there is no designated beneficiary or if the designated beneficiary predeceases the member, to the estate of the member, the sum of Eighteen Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the deceased member had ten (10) years or more of creditable service, the member's designated beneficiary may elect to

receive the retirement benefit to which the deceased member would have been entitled at the time of death under the Option 2 plan of retirement in lieu of the death benefit provided for in this subsection. Provided further, the option provided in this subsection is only available when the member has designated one individual as the designated beneficiary. The beneficiary or beneficiaries of death benefits in the amount not to exceed Eighteen Thousand Dollars (\$18,000.00), but exclusive of any retirement benefit received by an electing beneficiary based upon creditable service performed by the deceased member, which are provided pursuant to this subsection, may elect to disclaim such death benefits in which case such benefits will be transferred to a person licensed as a funeral director or to a lawfully recognized business entity licensed as required by law to provide funeral services for the deceased member. The qualified disclaimer must be in writing and will be an irrevocable and an unqualified refusal to accept all or a portion of the death benefit. It must be received by the transferor no more than nine (9) months after the later of the day the transfer creating the interest in the disclaiming person is made or the day the disclaiming person attains age twenty-one (21). The interest in the death benefits must pass without direction by the disclaiming person to another person. After paying death benefits to any beneficiary or the member's estate pursuant to this subsection, the System is discharged and released from any and all liability, obligation, and costs. The System is not required to inquire into the truth of any matter specified in this subsection or into the payment of any estate tax liability.

~~(12)~~ Q. Upon the death of a retired member who has contributed to the System, the retirement system shall pay to the designated beneficiary of the member or, if there is no designated beneficiary or if the designated beneficiary predeceases the member, to the estate of the member, the sum of Five Thousand Dollars (\$5,000.00) as a death benefit. The beneficiary or beneficiaries of benefits provided pursuant to this subsection may elect to disclaim such death benefits in which case such benefits will be transferred to a person licensed as a funeral director or to a lawfully recognized business entity licensed as required by law to provide funeral services for the deceased member. The qualified disclaimer must be in writing and will be an irrevocable and an unqualified refusal to accept all or a portion of the death benefit. It must be received by the transferor no more than nine (9) months after the later of the day the transfer creating the interest in the disclaiming person is made or the day the disclaiming person attains age twenty-one (21). The interest in the death benefits must pass without

direction by the disclaiming person to another person. The benefit payable pursuant to this subsection shall be deemed, for purposes of federal income taxation, as life insurance proceeds and not as a death benefit if the Internal Revenue Service approves this provision pursuant to a private letter ruling request which shall be submitted by the Board of Trustees of the System for that purpose. After paying death benefits to any beneficiary or the member's estate pursuant to this subsection, the System is discharged and released from any and all liability, obligation, and costs. The System is not required to inquire into the truth of any matter specified in this subsection or into the payment of any estate tax liability.

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

~~(a)~~ 1. Before any applicable probate procedure may be waived, the System must be in receipt of the ~~member's proof of~~ decedent's death certificate and the following documents from those persons claiming to be the legal heirs of the deceased member:

~~1.~~ The member's

a. the decedent's valid last will and testament, trust documents or affidavit that a will does not exist, ~~1,~~

~~2.~~ An

b. an affidavit or affidavits of heirship which must state:

~~a.~~

(1) the names and signatures of all claiming heirs to the ~~deceased member's~~ decedent's estate including the claiming heirs' names, relationship to the deceased, current addresses, tax ~~I.D.~~ ID numbers if known and current telephone numbers,



~~b.~~

(2) a statement or statements by the claiming heirs that no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction,

~~c.~~

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

~~d.~~

(4) a statement by each individual claiming heir identifying the amount of personal property that the heir is claiming from the System, and that the heir has been notified of, is aware of and consents to the identified claims of all the other claiming heirs of the ~~deceased member~~ decedent pending with the System, and

(5) a statement by each individual claiming heir affirming that all debts of the decedent, including payment of last sickness, hospital, medical, death, funeral, and burial expenses have been paid or provided for,

~~3.~~ A

c. a written agreement or agreements signed by all claiming heirs of the ~~deceased member~~ decedent which provides provide that the claiming heirs release, discharge and hold harmless the System from any and all liability, obligations and costs which it may incur as a result of making a payment to any of the ~~deceased member's~~ decedent's heirs, and

~~4.~~ A

- d. a corroborating affidavit from an individual other than a claiming heir, who was familiar with the affairs of the ~~deceased member~~;
5. ~~Proof that all debts of the deceased member, including payment of last sickness, hospital, medical, death, funeral and burial expenses have been paid or provided for~~ decendent.

~~(b)~~ 2. The Executive Director of the System shall retain complete discretion in determining which requests for probate waiver may be granted or denied, for any reason. Should the System have any question as to the validity of any document presented by the claiming heirs, or as to any statement or assertion contained therein, the probate requirement provided for in Section 1 et seq. of Title 58 of the Oklahoma Statutes shall not be waived.

~~(c)~~ 3. After paying any death benefits or unpaid contributions to any claiming heirs as provided pursuant to this subsection, the System is discharged and released from any and all liability, obligation and costs to the same extent as if the System had dealt with a personal representative of the ~~deceased member~~ decendent. The System is not required to inquire into the truth of any matter specified in this subsection or into the payment of any estate tax liability.

~~(14)~~ S. Upon the death of a retired member, the benefit payment for the month in which the retired member died, if not previously paid, shall be made to the joint annuitant if still living, to the beneficiary of the member if the joint annuitant is deceased, or to the member's estate if there is no surviving joint annuitant or beneficiary. Such benefit payment shall be made in an amount equal to a full monthly benefit payment regardless of the day of the month in which the retired member died. Upon the death of a joint annuitant receiving monthly benefit payments as prescribed herein, the benefit payment for the month in which the joint annuitant died, if not previously paid, shall be made to the joint annuitant's estate in an amount equal to the full monthly benefit payment regardless of the day of the month on which the joint annuitant died.

T. The Board of Trustees may adopt such other rules and regulations as are necessary to administer the benefits enumerated herein.

SECTION 5. AMENDATORY 70 O.S. 2021, Section 17-105.1, is amended to read as follows:

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

SECTION 6. AMENDATORY 70 O.S. 2021, Section 17-106.3, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

B. On an annual basis, the Board of Trustees shall set two contribution rates to be paid by contributing employers as provided

in subsection A of this section. Both contribution rates shall be determined using cost principles established by federal regulations and shall be consistent with policies, regulations and procedures that apply uniformly to both federally assisted and other activities, and be accorded consistent treatment through application of generally accepted accounting principles. The Board shall approve the contribution rates for each fiscal year ending June 30, no later than April 1 of the previous fiscal year. The first rate shall be applied to service performed during the regular school year of the participating employer. The second rate shall be applied to service performed by members during a summer school program of the participating employer. For the purposes of this subsection, "summer school program" is defined as a program offering academic enrichment for students from ~~Pre-K~~ prekindergarten through ~~12th grades~~ twelfth grade during the summer term after the close of the school year. Members shall only be considered as providing service to a summer school program if such service is provided pursuant to a separate summer school contract between the member and the participating employer. The term "~~summer school program~~" summer school program does not include services performed at a participating employer offering an extended school year pursuant to Section 1-109.1 of this title, or services performed by staff pursuant to a twelve-month contract with the employer. The method applied to setting the second contribution rate may take into consideration whether, or to what extent, such service is likely to add to members' service credit or final average salary; provided, however, the second rate shall not exceed one-half (1/2) of the first rate established in this subsection. The actuary retained by the Board may recommend such rates using assumptions that apply to the group of those members whose service is subject to the second contribution rate.

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

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

2. The deductions provided for in the plans within the retirement system shall be made notwithstanding that the minimum compensation provided for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and payment of salary or compensation, less the deduction, shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under ~~this act~~ Section 17-101 et seq. of this title. The employer shall certify to the Board of Trustees on each and every payroll, or in such other manner as the Board may prescribe, the amounts to be deducted, and each of the amounts shall be deducted, and when deducted shall be paid into the Teachers' Savings Fund, and shall be credited to the individual account of the member from whose compensation the deduction was made.

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

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

5. Retirement Benefit Fund.

- a. After August 2, 1969, there shall be transferred from the Teachers' Savings Fund for those members drawing retirement benefits from the Teachers' Retirement System of Oklahoma an amount necessary to provide the monthly annuity payments and ~~pension~~ payments as required in Section 17-107 of this title. In addition, the fund shall consist of monies received from any state dedicated revenue, monies received from state appropriations, monies received from federal matching funds, and the residue of the interest on investments after the requirements of Section 17-107

of this title have been fully met. The Retirement Benefit Fund shall consist of an amount of money necessary for the making of retirement payments to retirees.

- b. ~~Should a member have deposits in the Teachers' Deposit Fund or the Tax-Sheltered Annuity Fund and wish to receive monthly retirement benefits on such deposits, the actuarial equivalent of a two-year period and each succeeding fiscal year thereafter shall be transferred to the Retirement Benefit Fund. The member may choose any of the plans available in the Teachers' Retirement Act as a method of receiving monthly retirement benefits on the money he has on deposit in the Teachers' Deposit Fund or the Tax-Sheltered Annuity Fund. The monthly retirement benefits paid from the Teachers' Deposit Fund or the Tax-Sheltered Annuity Fund shall be in addition to the regular retirement benefits and the money transferred from the Teachers' Deposit Fund or Tax-Sheltered Annuity Fund shall not be matched by the State of Oklahoma.~~
- e. From the Retirement Benefit Fund shall be paid all monthly retirement benefits allowances.
- d. ~~At the death of a retired member who has retired under the Maximum Plan of Retirement, Option 1 or Option 4, the balance of money the member has in the Teachers' Savings Fund shall be transferred to the Retirement Benefit Fund and the amount due the beneficiary or his or her estate under Option 1 or Option 4 shall be paid from the Retirement Benefit Fund.~~
- e. ~~At the death of both a retired member and the retired member's spouse, who had retired under Option 2 or 3, any balance in the Teachers' Savings Fund shall be transferred from the Teachers' Savings Fund to the Retirement Benefit Fund.~~
- f. ~~At the death of a retired member who had retired under Option 5, the balance of any monies the member had in the Teachers' Savings Fund shall be transferred to the Retirement Benefit Fund for the purpose of making a lump-sum settlement to the beneficiary or his estate. Providing that if the surviving spouse elects to~~

~~receive the balance under the Maximum Plan of Retirement or Option 1 the member's money, if any, on a monthly basis, constituting actuarial equivalent of two (2) years' payments, and each year thereafter the annual actuarial equivalent, shall be transferred from the Teachers' Savings Fund for the purpose of paying monthly retirement benefits to the spouse under this option.~~

6. The Interest Fund is hereby created to facilitate the crediting of interest to the various other funds to which interest is to be credited. All income, interest and dividends derived from the deposits and investments authorized by ~~this act~~ Section 17-101 et seq. of this title shall be paid into the Interest Fund. On June 30, each year, interest shall be transferred to the other funds as herein provided.

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

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

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

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

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



10. ~~Teachers' Deposit Fund.~~

~~Any member may request, prior to a pay period, that his or her employer make additional deposits for him or her, for tax sheltered annuity purposes. However, the amount deposited shall not exceed the limits as defined in Section 402(g) and Section 415 of the Internal Revenue Code of 1986, as amended, and applicable federal regulations. All such deposits shall be credited to the member's account in the Teachers' Deposit Fund for the purchase of a tax-sheltered annuity. The amount thus accumulated, with earnings, shall be used upon the member's retirement, separation from service, death or disability to purchase an annuity in addition to his or her regular service retirement allowance. The amount a member accumulates in the Teachers' Deposit Fund, not including interest, may be used to pay distributions in the case of hardship as provided in Section 403(b)(11) of the Internal Revenue Code of 1986, as amended, and applicable federal regulations.~~

11. Collection of Contributions. The collection of members' contributions shall be as follows:

(1)

- a. Each employer shall cause to be deducted on each and every payroll or claim of a member for each and every payroll claim period subsequent to the date of establishment of the retirement system the contribution payable by such member as provided in ~~this act~~ Section 17-101 et seq. of this title. With each and every payroll or claim the employer shall deliver to the treasurer of the employer warrants issued to the employees as shown to be due by the payroll or claim, together with a warrant or warrants in favor of the Teachers' Retirement System of Oklahoma as shown by the payroll or claim.

(2)

- b. The treasurer or disbursing officer upon delivery of the warrants and a true copy of the payroll or claims as provided above shall register the warrants as provided for the registration of other school warrants, and shall deliver to the employer warrants issued in favor of the employees, and shall deliver

warrants issued in favor of the Teachers' Retirement System of Oklahoma and the copy of the payroll or claims to the school district superintendent as designated by the Board of Trustees. For the purpose of collecting contributions of teachers in the public schools, the superintendent of a school district is hereby designated to receive the Teachers' Retirement warrants from the treasurer or proper disbursing officer of the several school districts for the purpose of transmitting such warrants and payroll or claims to the Executive Director of the Teachers' Retirement System of ~~the State of~~ Oklahoma. Any college or university or other educational institution or agency operated in whole or in part by the state shall have the amount retained or deducted from the funds regularly appropriated by the state for the current maintenance for such educational departments and institutions.

~~(3)~~

c. For the purpose of enabling the collection of the contributions of the members of the retirement system to be made as simple as possible, the Board of Trustees shall require the secretary or other officer of each ~~employer-board~~ employer board or agency, within thirty (30) days after the beginning of each school year, to make a list of all teachers in its employ who are members of the retirement system, certify to the correctness of this list, and file the same with the Executive Director of the Board of Trustees of the Teachers' Retirement System of Oklahoma. If additions to or deductions from this list should be made during the year such additions or deductions shall likewise be certified to the Board of Trustees of the Teachers' Retirement System of Oklahoma.

~~(4)~~

d. The State Treasurer shall furnish annually to the Board of Trustees a sworn statement of the amount of the funds in his or her custody belonging to the retirement system. The records of the Board of Trustees shall be open to public inspection and any

member of the retirement system shall be furnished with a statement of the amount of the credit to ~~his or her~~ the member's individual account upon written request by such member, provided the Board of Trustees shall not be required to answer more than one such request of a member in any one (1) year.

~~(5)~~

e. Failure of any superintendent, officer, or other person to discharge the duties imposed upon him or her by this act shall render him or her or his or her bondsman liable for any loss occasioned thereby to the Teachers' Retirement System of Oklahoma or the employees of the school district, or both.

~~(6)~~

f. On a showing by the Teachers' Retirement System of Oklahoma that a warrant, voucher or check issued to it has, for any reason, been lost or never received, after ninety (90) days from the date of issue or from transmittal for payment, it shall be the duty of the issuing authority forthwith, without any indemnifying bond or other requirements, to issue a duplicate thereof in lieu of that which was lost, to the Teachers' Retirement System of Oklahoma; and the Teachers' Retirement System of Oklahoma shall save harmless any school district or agency of state government making payment under the provisions hereof to the ~~State~~ Teachers' Retirement System of Oklahoma if the original warrant, voucher or check is later presented for payment and same is paid after a duplicate warrant, voucher or check has been issued and paid to the Teachers' Retirement System of Oklahoma, and any loss sustained therefrom shall be charged to the Interest Fund.

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

Any member may purchase credit for service, to the extent specified in this title, with rollovers from an eligible retirement plan as defined by the Internal Revenue Code of 1986, as amended from time to time. A member may also purchase permissive service

credit, as defined by Title 26, United States Code, Section 415(n)(3)(A), with a direct trustee-to-trustee transfer from a governmental Title 26, United States Code, Section 403(b) plan or governmental Title 26, United States Code, Section 457(b) plan. All rollovers and direct trustee-to-trustee transfers shall be allowed to the extent permitted by federal law. Rollovers or direct transfers in excess of the amount necessary to purchase such service credit shall not be allowed.

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

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

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

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

1. A retired member is not eligible to be employed by the public schools of Oklahoma, in any capacity, for sixty (60) calendar days between the retiree's last day of preretirement public education employment and any postretirement public education employment. For purposes of this section, the term "last day of preretirement employment" shall mean the last day the employee is required to be physically present on the job to complete the terms of the employment contract or agreement or the member's effective retirement date, whichever is later. An employee on paid leave is

still considered to be employed for purposes of this section. Employment under any conditions during this time, volunteer services for the purpose of obtaining a paid position at a later date, or payment at a later time for services performed during this time period shall cause the forfeiture of all retirement benefits received during the period;

2. ~~Unless otherwise provided in paragraph 3 of this subsection, earnings from the public schools may not exceed one half (1/2) of the member's final average salary used in computing retirement benefits, or the Earnings Limitation for employees allowed by the Social Security Administration, whichever is less. For thirty-six (36) months following a member's effective retirement date, the retired member shall be subject to earnings limitations on allowable earnings. Earnings limits are determined annually based on a calendar year. For retired members under the age of sixty-two (62) years, the limit on allowed earnings from the public schools of Oklahoma for employment for the performance of duties ordinarily performed by classified or nonclassified optional personnel shall be the lesser of Fifteen Thousand Dollars (\$15,000.00) or limited to one-half (1/2) of the member's final average salary used in computing retirement benefits unless or the earnings limitation limit allowed by the Social Security Administration would be greater than Fifteen Thousand Dollars (\$15,000.00) for those under Social Security's normal retirement age, whichever is less. For retired members sixty-two (62) years of age or older the limit on, allowed earnings from the public schools of Oklahoma for the performance of duties ordinarily performed by classified or nonclassified personnel shall be the lesser of limited to Thirty Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits, whichever is less. For purposes of this paragraph, the following shall apply:~~

- a. earnings shall mean ~~"regular annual compensation"~~ regular annual compensation as defined in paragraph ~~(25)~~ 23 of Section 17-101 of this title, and shall include any payment by a public school for services rendered by a retired member who is employed for any purpose whatsoever. Supplemental retirement payments paid by a former public school employer pursuant to subsection ~~9~~ N of Section 17-105 of this title or other state law shall not be considered as earnings,
- b. ~~the Earnings Limitation for employees allowed by the Social Security Administration to workers between the~~

~~age of sixty-two (62) years and sixty-five (65) years shall apply to retired members below the age of sixty-two (62) years,~~

- ~~e. the limit on allowed earnings from the public schools shall be automatically adjusted effective the first day of January of each year to reflect the current Earnings Limitation for employees as determined from time to time by the Social Security Administration,~~
- ~~d. the earnings limit for the calendar year in which a member retires shall be one-twelfth (1/12) of the annual limit multiplied by the number of months the member is eligible to work and receive payments from the public schools of Oklahoma, and~~
- ~~e.~~
- c. earnings in excess of the maximum limit on allowed earnings from public schools of Oklahoma shall result in a loss of ~~future~~ retirement benefits ~~for the year the postretirement employment was performed~~ of One Dollar (\$1.00) for each One Dollar (\$1.00) earned over the maximum allowed earnings amount,
- ~~f. for those members age seventy (70) years and over, the earnings in excess of the maximum limit allowed earnings from public schools of Oklahoma shall be one-half (1/2) the member's final average salary used in computing retirement benefits. However, any retired member receiving benefits from the Retirement System who reached age seventy (70) years prior to July 1, 1991, shall not be restricted by the earnings limits pursuant to this subparagraph until January 1, 1994. To qualify for the provisions of this subparagraph, the member must be employed less than one-half (1/2) time compared to other full-time employees in similar positions;~~

3. Notwithstanding paragraph 2 of this subsection, a ~~retired classified or nonclassified member who has been retired for thirty-six (36) or more months and who is employed by a public school to perform duties ordinarily performed by classified or nonclassified personnel shall be able to receive annualized earnings from the public school with no reduction in retirement benefits regardless of~~

~~the amount of annualized earnings.~~ For for a period of three (3) years beginning July 1, 2017, members who have retired as of July 1, 2017, as active classroom teachers, who have been retired and receiving a benefit for at least one (1) year, and who have not been employed by any public school during that one-year period, shall be eligible to be reemployed as an active classroom teacher in common or career tech school districts, with no limitations on earnings. For a period of three (3) years beginning July 1, 2021, members who have retired as of July 1, 2020, who have been retired and receiving a benefit for at least one (1) year, and who have not been employed by any public school during that one-year period, shall be eligible to be reemployed as an active classroom teacher in common or career tech school districts, with no limitations on earnings. The one-year period starts with the retiree's last day of preretirement public education employment. Members returning under this section shall not be subject to any ~~earning~~ earnings limitations following the end of the three-year periods described in this paragraph. Members returning under this section shall only be employed pursuant to a temporary contract; and

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

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

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

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

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

SECTION 10. REPEALER 70 O.S. 2021, Section 17-114.2, is hereby repealed.

SECTION 11. This act shall become effective July 1, 2024.

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



Passed the House of Representatives the 8th day of May, 2024.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

Passed the Senate the 25th day of April, 2024.

\_\_\_\_\_  
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

**THOMAS E. CUMMINS CONSULTING ACTUARY, INC.**

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(918) 492-9658 • (918) 492- 9659

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February 23, 2023

Representative Mark Lepak  
Room 4537

Re: Proposed Committee Substitute for House Bill No. 2528

Proposed Committee Substitute for House Bill No. 2528 is Teachers Retirement System cleanup bill.

Proposed Committee Substitute for House Bill No. 2528 is a non fiscal bill as defined by OPLAAA.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA