

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL 979

By: Allen

AS INTRODUCED

An Act relating to teachers' retirement; amending 70 O.S. 2011, Sections 17-101, as last amended by Section 1, Chapter 114, O.S.L. 2014 and 17-116.2B, as amended by Section 2, Chapter 44, O.S.L. 2018 (70 O.S. Supp. 2018, Sections 17-101 and 17-116.2B), which relate to definitions and amount of retirement benefits; amending definition of average salary; modifying calculation for certain benefits; and updating statutory references.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-101, as last amended by Section 1, Chapter 114, O.S.L. 2014 (70 O.S. Supp. 2018, Section 17-101), is amended to read as follows:

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

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

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

12 (3) "Classified personnel" shall mean any teacher, principal,
13 superintendent, supervisor, administrator, librarian, certified or
14 registered nurse, college professor, or college president whose
15 salary is paid wholly or in part from public funds. An employee of
16 any state department, board, board of regents or board of trustees,
17 who is in a supervisory or an administrative position, the function
18 of which is primarily devoted to public education, shall be
19 considered classified personnel under the meaning of ~~this act~~
20 Section 17-101 et seq. of this title, at the discretion of the Board
21 of Trustees of the Teachers' Retirement System. The term "teacher"
22 shall also include instructors and counselors employed by the
23 Department of Corrections and holding valid teaching certificates
24 issued by the State Department of Education. Provided, that a

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

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

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

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

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

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

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

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

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

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

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

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

1 (15) "Average salary":

- 2 (a) for those members who joined the System prior to July
3 1, 1992, shall mean the average of the salaries for
4 the three (3) years, and effective July 1, 2020, for
5 the seven (7) years, on which the highest
6 contributions to the Teachers' Retirement System was
7 paid not to exceed the maximum contribution level
8 specified in Section 17-116.2 of this title or the
9 maximum compensation level specified in subsection
10 (28) of this section. Provided, no member shall
11 retire with an average salary in excess of Twenty-five
12 Thousand Dollars (\$25,000.00) unless the member has
13 made the required election and paid the required
14 contributions on such salary in excess of Twenty-five
15 Thousand Dollars (\$25,000.00), or unless an eligible
16 member fulfills the requirements of Section 17-116.2C
17 of this title in order to have pre-cap removal service
18 included in the retirement benefit computation of the
19 member using the regular annual compensation of the
20 member for any pre-cap removal year of service so
21 included subject to the maximum average salary amount,
22 and
- 23 (b) for those members who join the System after June 30,
24 1992, shall mean the average of the salaries for five

1 (5) consecutive years, and effective July 1, 2020, for
2 the seven (7) years, on which the highest contribution
3 to the Teachers' Retirement System was paid. Only
4 salary on which required contributions have been made
5 may be used in computing average salary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (b) amounts that would otherwise qualify as salary under
17 paragraph (a) of this subsection but are not received
18 directly by the member pursuant to a good faith,
19 voluntary written salary reduction agreement in order
20 to finance payments to a deferred compensation or tax-
21 sheltered annuity program or to finance benefit
22 options under a cafeteria plan qualifying under the
23 United States Internal Revenue Code, 26 U.S.C.,
24 Section 101 et seq.,
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1 (c) group health and disability insurance, group term life
2 insurance, annuities and pension plans, provided on a
3 periodic basis to all qualified employees of the
4 employer, which qualify as fringe benefits under the
5 United States Internal Revenue Code, and

6 (d) excluded from regular annual compensation are:

- 7 1. expense reimbursement payments,
- 8 2. office, vehicle, housing or other maintenance
9 allowances,
- 10 3. the flexible benefit allowance provided pursuant
11 to Section 26-105 of this title,
- 12 4. payment for unused vacation and sick leave,
- 13 5. any payment made for reason of termination or
14 retirement not specifically provided for in
15 subparagraphs (a) through (c) of this subsection,
- 16 6. maintenance or other nonmonetary compensation,
- 17 7. payment received as an independent contractor or
18 consultant, pursuant to a lawful contract which
19 complies with the requirements of subsection B of
20 Section 6-101.2 of this title,
- 21 8. any benefit payments not made pursuant to a valid
22 employment agreement,
- 23 9. compensation for clinical related activity
24 performed in the University of Oklahoma Health
25

1 Sciences Center (OUHSC) Professional Practice
2 Plan or Oklahoma State University Center for
3 Health Sciences (OSU-CHS) Professional Practice
4 Plan,

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

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

9 (27) "Active classroom teacher" means a person employed by a
10 school district to teach students specifically identified classes
11 for specifically identified subjects during the course of a
12 semester, and who holds a valid certificate or license issued by and
13 in accordance with the rules and regulations of the State Board of
14 Education.

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

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

22 (b) Forty Thousand Dollars (\$40,000.00) for creditable
23 service authorized and performed prior to July 1,
24 1995, for members electing a maximum compensation

1 level in excess of Twenty-five Thousand Dollars

2 (\$25,000.00),

3 (c) Twenty-seven Thousand Five Hundred Dollars

4 (\$27,500.00) for members who, as of June 30, 1995, had

5 elected to have a maximum compensation level not in

6 excess of Twenty-five Thousand Dollars (\$25,000.00),

7 and who were employed by an entity or institution

8 within The Oklahoma State System of Higher Education

9 for creditable service authorized and performed on or

10 after July 1, 1995, but not later than June 30, 1996,

11 if such member does not elect a higher maximum

12 compensation level for this period as authorized by

13 Section 17-116.2A of this title,

14 (d) Thirty-two Thousand Five Hundred Dollars (\$32,500.00)

15 for members employed by a comprehensive university if

16 the member meets the requirements imposed by Section

17 17-116.2A of this title and the member elects to

18 impose a higher maximum compensation level for service

19 performed on or after July 1, 1995, but not later than

20 June 30, 1996,

21 (e) Forty-four Thousand Dollars (\$44,000.00) for members

22 who, as of June 30, 1995, had elected to have a

23 maximum compensation level in excess of Twenty-five

24 Thousand Dollars (\$25,000.00), and who were employed

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

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

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

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

21 (i) Thirty-two Thousand Five Hundred Dollars
22 (\$32,500.00) for service authorized and
23 performed on or after July 1, 1996, but not
24 later than June 30, 1997,

1 (ii) Thirty-seven Thousand Five Hundred Dollars
2 (\$37,500.00) for service authorized and
3 performed on or after July 1, 1997, but not
4 later than June 30, 1998,

5 (iii) Forty-two Thousand Five Hundred Dollars
6 (\$42,500.00) for service authorized and
7 performed on or after July 1, 1998, but not
8 later than June 30, 2000,

9 (iv) Forty-seven Thousand Five Hundred Dollars
10 (\$47,500.00) for service authorized and
11 performed on or after July 1, 2000, but not
12 later than June 30, 2001,

13 (v) Fifty-two Thousand Five Hundred Dollars
14 (\$52,500.00) for service authorized and
15 performed on or after July 1, 2001, but not
16 later than June 30, 2002,

17 (vi) Fifty-seven Thousand Five Hundred Dollars
18 (\$57,500.00) for service authorized and
19 performed on or after July 1, 2002, but not
20 later than June 30, 2003,

21 (vii) Sixty-two Thousand Five Hundred Dollars
22 (\$62,500.00) for service authorized and
23 performed on or after July 1, 2003, but not
24 later than June 30, 2004,

1 (viii) Sixty-seven Thousand Five Hundred Dollars
2 (\$67,500.00) for service authorized and
3 performed on or after July 1, 2004, but not
4 later than June 30, 2005,

5 (ix) Seventy-two Thousand Five Hundred Dollars
6 (\$72,500.00) for service authorized and
7 performed on or after July 1, 2005, but not
8 later than June 30, 2006,

9 (x) Seventy-seven Thousand Five Hundred Dollars
10 (\$77,500.00) for service authorized and
11 performed on or after July 1, 2006, but not
12 later than June 30, 2007,

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

16 2. for members who elected a maximum compensation
17 level in excess of Twenty-five Thousand Dollars
18 (\$25,000.00):

19 (i) Forty-nine Thousand Dollars (\$49,000.00) for
20 service authorized and performed on or after
21 July 1, 1996, but not later than June 30,
22 1997,

23 (ii) Fifty-four Thousand Dollars (\$54,000.00) for
24 service authorized and performed on or after
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1 July 1, 1997, but not later than June 30,
2 1998,

3 (iii) Fifty-nine Thousand Dollars (\$59,000.00) for
4 service authorized and performed on or after
5 July 1, 1998, but not later than June 30,
6 2000,

7 (iv) Sixty-four Thousand Dollars (\$64,000.00) for
8 service authorized and performed on or after
9 July 1, 2000, but not later than June 30,
10 2001,

11 (v) Sixty-nine Thousand Dollars (\$69,000.00) for
12 service authorized and performed on or after
13 July 1, 2001, but not later than June 30,
14 2002,

15 (vi) Seventy-four Thousand Dollars (\$74,000.00)
16 for service authorized and performed on or
17 after July 1, 2002, but not later than June
18 30, 2003,

19 (vii) Seventy-nine Thousand Dollars (\$79,000.00)
20 for service authorized and performed on or
21 after July 1, 2003, but not later than June
22 30, 2004,

23 (viii) Eighty-four Thousand Dollars (\$84,000.00)
24 for service authorized and performed on or
25

1 after July 1, 2004, but not later than June
2 30, 2005,

3 (ix) Eighty-nine Thousand Dollars (\$89,000.00)
4 for service authorized and performed on or
5 after July 1, 2005, but not later than June
6 30, 2006,

7 (x) Ninety-four Thousand Dollars (\$94,000.00)
8 for service authorized and performed on or
9 after July 1, 2006, but not later than June
10 30, 2007,

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

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

- 15 1. a member of the retirement system not employed by
16 an entity or institution within The Oklahoma
17 State System of Higher Education for all
18 creditable service authorized and performed on or
19 after July 1, 1995,
- 20 2. a member of the retirement system first employed
21 on or after July 1, 1995, by an entity or
22 institution within The Oklahoma State System of
23 Higher Education for all creditable service
24

1 authorized and performed on or after July 1,
2 1995, but not later than June 30, 1996,

3 3. a member of the retirement system employed by an
4 entity or institution within The Oklahoma State
5 System of Higher Education, other than a
6 comprehensive university, if the member elects to
7 impose a higher maximum compensation level for
8 service performed on or after July 1, 1995, but
9 not later than June 30, 1996, pursuant to
10 subsection B of Section 17-116.2A of this title,

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

17 5. a member of the retirement system who, as of July
18 1, 1996, is subject to a maximum compensation
19 level pursuant to paragraph (g) of this
20 subsection if the member terminates service with
21 a comprehensive university and is subsequently
22 reemployed by a comprehensive university,
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1 6. a member of the retirement system employed by a
2 comprehensive university for all service
3 performed on and after July 1, 2007, or

4 7. an eligible member of the retirement system who
5 fulfills the requirements of Section ~~2 of this~~
6 ~~act~~ 17-116.2C of this title with respect to pre-
7 cap removal service included in the retirement
8 benefit computation of the member at the average
9 salary of the member subject to the maximum
10 average salary amount.

11 (29) "Comprehensive university" shall mean:

12 (a) the University of Oklahoma and all of its constituent
13 agencies, including the University of Oklahoma Health
14 Sciences Center, the University of Oklahoma Law Center
15 and the Geological Survey, and

16 (b) Oklahoma State University and all of its constituent
17 agencies, including the Oklahoma State University
18 Agricultural Experiment Station, the Oklahoma State
19 University Agricultural Extension Division, the
20 Oklahoma State University College of Veterinary
21 Medicine, the Oklahoma State University Center for
22 Health Sciences, the Technical Branch at Oklahoma
23 City, the Oklahoma State University Institute of

1 Technology-Okmulgee and Oklahoma State University-
2 Tulsa.

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

8 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-116.2B,
9 as amended by Section 2, Chapter 44, O.S.L. 2018 (70 O.S. Supp.
10 2018, Section 17-116.2B), is amended to read as follows:

11 Section 17-116.2B. A. Beginning July 1, 2004, a member who has
12 any creditable service as an employee of an entity or institution
13 within The Oklahoma State System of Higher Education on or after
14 July 1, 1995, who retires on or after the member's normal retirement
15 age or whose retirement is because of disability shall receive an
16 annual allowance for life, payable monthly, as follows:

17 1. If the member becomes a member after June 30, 1995, and was
18 not eligible to become a member prior to July 1, 1995, in an amount
19 equal to two percent (2%) of the member's average salary upon which
20 member contributions were made, multiplied by the number of the
21 member's years of creditable service;

22 2. If the member became a member or is eligible to become a
23 member prior to July 1, 1995, and elected to have a maximum
24 compensation level in excess of Twenty-five Thousand Dollars

1 (\$25,000.00) pursuant to paragraph 1 of subsection C of Section 17-
2 116.2 of this title or pursuant to subsection E of Section 17-116.2
3 of this title, or if the member's salary never exceeded Twenty-five
4 Thousand Dollars (\$25,000.00) prior to July 1, 1995, in an amount
5 equal to:

- 6 a. two percent (2%) of the member's average salary upon
7 which member contributions were made, not to exceed
8 Forty Thousand Dollars (\$40,000.00), multiplied by the
9 number of the member's years of creditable service
10 authorized and performed prior to July 1, 1995, plus
11 any years of prior service authorized under this
12 title, plus
- 13 b. two percent (2%) of the average of the member's
14 maximum compensation level upon which member
15 contributions were made for those years between July
16 1, 1995, and June 30, 2007, in which the member's
17 regular annual compensation meets or exceeds the
18 maximum compensation level in effect for the member
19 for the period July 1, 1995, through June 30, 2007,
20 multiplied by the number of the member's years of
21 creditable service for the period July 1, 1995,
22 through June 30, 2007, in which the member's regular
23 annual compensation meets or exceeds the maximum
24

1 compensation in effect for the member for the period
2 July 1, 1995, through June 30, 2007, plus

3 c. two percent (2%) of the member's average salary upon
4 which member contributions were made, multiplied by
5 the number of the member's years of creditable service
6 authorized and performed for an employer other than a
7 comprehensive university or for service performed for
8 an employer other than an entity or institution within
9 The Oklahoma State System of Higher Education on or
10 after July 1, 1995, but not later than June 30, 2007,
11 plus

12 d. two percent (2%) of the member's average salary upon
13 which member contributions were made, multiplied by
14 the number of the member's years of creditable service
15 in which contributions were made that did not meet or
16 exceed the member's maximum compensation level in
17 effect for the member for the period July 1, 1995,
18 through June 30, 2007, and the number of the member's
19 years of creditable service authorized and performed
20 after June 30, 2007;

21 3. If the member became a member or is eligible to become a
22 member prior to July 1, 1995, and was eligible to elect to have a
23 maximum compensation level in excess of Twenty-five Thousand Dollars
24 (\$25,000.00) and did not elect or elected not to have a maximum

1 compensation level of Forty Thousand Dollars (\$40,000.00) pursuant
2 to paragraph 1 of subsection C of Section 17-116.2 of this title or
3 pursuant to subsection E of Section 17-116.2 of this title, in an
4 amount equal to:

5 a. two percent (2%) of the member's average salary upon
6 which member contributions were made, not to exceed
7 Twenty-five Thousand Dollars (\$25,000.00), multiplied
8 by the number of the member's years of creditable
9 service authorized and performed prior to July 1,
10 1995, plus any years of prior service authorized under
11 this title, plus

12 b. two percent (2%) of the average of the member's
13 maximum compensation level upon which member
14 contributions were made for those years of service
15 between July 1, 1995, and June 30, 2007, in which the
16 member's regular annual compensation meets or exceeds
17 the maximum compensation level in effect for the
18 member for the period July 1, 1995, through June 30,
19 2007, multiplied by the number of the member's years
20 of creditable service for the period July 1, 1995,
21 through June 30, 2007, in which the member's regular
22 annual compensation meets or exceeds the maximum
23 compensation in effect for the member for the period
24 July 1, 1995, through June 30, 2007, plus

1 c. two percent (2%) of the member's average salary upon
2 which member contributions were made, multiplied by
3 the number of the member's years of creditable service
4 authorized and performed for an employer other than a
5 comprehensive university or for service performed for
6 an employer other than an entity or institution within
7 The Oklahoma State System of Higher Education on or
8 after July 1, 1995, but not later than June 30, 2007,
9 plus

10 d. two percent (2%) of the member's average salary upon
11 which member contributions were made, multiplied by
12 the number of the member's years of creditable service
13 in which contributions were made that did not meet or
14 exceed the member's maximum compensation level in
15 effect for the member for the period July 1, 1995,
16 through June 30, 2007, and the number of the member's
17 years of creditable service authorized and performed
18 after June 30, 2007;

19 4. Any member who retired on or after July 1, 1995, shall be
20 eligible to have the benefits recalculated in accordance with the
21 terms and provisions of paragraphs 2 and 3 of this section. In the
22 event such calculation results in an increase in benefits, such
23 benefits will be adjusted commencing January 1, 2005, and
24 thereafter. No such recalculation shall be applied in a retroactive

1 manner to result in any increase in benefits which have been paid
2 between July 1, 1995, and December 31, 2004;

3 5. For purposes of this section, the term "average of the
4 member's maximum compensation level" means an average of the annual
5 salary on which the maximum contributions were made to the Teachers'
6 Retirement System of Oklahoma for the period between July 1, 1995,
7 and June 30, 2007. The average for each member will be applied in
8 accordance with paragraph (15) of Section 17-101 of this title;

9 6. In the event there are insufficient number of years for the
10 time period between July 1, 1995, and June 30, 2007, to reach the
11 high three (3) or high consecutive five (5) years, or, effective
12 July 1, 2020, the high seven (7) years, in accordance with paragraph
13 (15) of Section 17-101 of this title, the member's maximum
14 compensation level shall be determined by an average of the salary
15 on which maximum contributions were made. In no case shall the
16 member's maximum compensation level exceed the average salary as
17 determined by paragraph (15) of Section 17-101 of this title; and

18 7. Beginning July 1, 2018, an active member of the Teachers'
19 Retirement System of Oklahoma who is employed and participating with
20 an entity or institution within The Oklahoma State System of Higher
21 Education may purchase not to exceed two (2) years of incentive
22 credit if:

- 23 a. the member has reached his or her normal retirement
24 date or is within two (2) years of reaching the

1 member's normal retirement date as authorized in
2 Section 17-105 of this title, or

3 b. the member is eligible for or is within two (2) years
4 of being eligible for early retirement pursuant to
5 paragraph 1 of subsection A of Section 17-116.2 of
6 this title.

7 B. Purchased incentive credit may only be used as participation
8 service to qualify the member for normal or early retirement.

9 C. To receive the incentive credit, the member shall pay the
10 amount determined by the Board pursuant to Section 17-116.8 of this
11 title.

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