

Statutes



Teachers' Retirement System of Oklahoma

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(Editor's Note: The text of the following statutes may be found at www.oscn.net, which also includes each statute's Historical Data, summary of documents citing the statute and Table of Authority.)

3A O.S., § 713. Oklahoma Education Lottery Trust Fund Appropriations to the Teachers' Retirement System of Oklahoma

C. 4. Five percent (5%) to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

47 O.S., § 2-314. Election by Certain Universities for Limited Participation in Oklahoma Law Enforcement Retirement System

A. The Board of Regents of the University of Oklahoma and/or the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges may make an irrevocable written election for the University of Oklahoma and/or Oklahoma State University to become participating employers in the Oklahoma Law Enforcement Retirement System for police officers who are CLEET certified and employed by the University of Oklahoma and/or Oklahoma State University. The Board of Regents of the University of Oklahoma and/or the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges shall send written notice of the election to the Oklahoma Law Enforcement Retirement System.

B. Beginning the following month after the System receives the written notice, the University of Oklahoma and/or Oklahoma State University and all active police officers who are CLEET certified and hired on or after the date of the election shall participate in and make contributions to the System as other participating employers and members of the System.

C. Upon election by the Board, pursuant to subsection A of this section, active CLEET certified police employed prior to the date of the election and who were participating in the Teachers' Retirement System of Oklahoma, may, within three (3) months of the date of the election, make an irrevocable written election to participate in the Oklahoma Law Enforcement Retirement System and file the written election with the Teachers' Retirement System of Oklahoma and the Oklahoma Law Enforcement Retirement System. Such police officers who make the election to transfer shall be transferred to the Oklahoma Law Enforcement Retirement System subject to the following:

1. Upon the date of election of the police officer, the police officer shall cease accruing benefits in the Teachers' Retirement System of Oklahoma and shall commence accruing benefits in the Oklahoma Law Enforcement Retirement System;

2. Prior to the beginning of the month following receipt of the police officers' election by Teachers' Retirement System of Oklahoma, the Teachers' Retirement System of Oklahoma shall transfer to the Oklahoma Law Enforcement Retirement System all employee contributions and employer contributions plus accrued interest. The Teachers' Retirement System of Oklahoma shall also send to the Oklahoma Law Enforcement Retirement System the retirement records of the transferring police officer;

3. To receive service credit accrued by such police officer prior to the election, or prior to the date as of which the person making the election ceases to be a member of the Teachers' Retirement System of Oklahoma, whichever date occurs last, the member shall pay the difference between the amount transferred by the Teachers' Retirement System of Oklahoma to the Oklahoma Law Enforcement Retirement System in paragraph 2 of this subsection and the amount determined by the Board of Trustees pursuant to Section 2-307.5 of Title 47 of the Oklahoma Statutes. The police officer shall elect to either pay any difference to receive full credit for the years sought to be transferred or receive prorated service credit for only the amount received from the Teachers' Retirement System of Oklahoma pursuant to this subsection. Payments made by electing police officers pursuant to this paragraph shall be made pursuant to subsection B of Section 2-307.5 of Title 47 of the Oklahoma Statutes;

4. Service credit accrued by a police officer while a member of the Teachers' Retirement System of Oklahoma shall be treated as credited service for such transferring police officer in the Teachers' Retirement System of Oklahoma if the police officer is not receiving or eligible to receive service credit or benefits from said service in any other public retirement system and the member has not received service credit for the same years of service pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the Oklahoma Statutes. Provided further, that only transferred credited service related to police service with the University of Oklahoma or Oklahoma State University shall be included in the determination of a police officer's normal retirement date or vesting date; and

5. All service credit with the Teachers' Retirement System of Oklahoma which is ineligible for transfer to the Oklahoma Law Enforcement Retirement System shall be canceled.

D. Upon election by the Board, pursuant to subsection A of this section, active CLEET certified police officers employed prior to the date of the election and who were not participating in the Teachers' Retirement System of Oklahoma, may, within three (3) months of the date of the election, make an irrevocable written election to participate in the Oklahoma Law Enforcement Retirement System and file the written election with the Oklahoma Law Enforcement Retirement System. Beginning the following month after the System for such police officers receives the police officer's written election, the University of Oklahoma and/or Oklahoma State University and the electing police officer shall participate and make contributions to the System as other participating employers and members of the System.

70 O.S., § 6-104.1. Sick and Extended Leave, and Leave Without Pay

After exhausting sick leave and extended leave pursuant to Section 6-104 and 6-104.5 of Title 70 of the Oklahoma Statutes, a full-time teacher who, with the proper approval of the district board of education, takes not more than ninety (90) school days of leave without pay to care for the teacher's child during the first year of the child's life, shall receive full credit for the days on leave with out

pay as though the teacher had been on leave with pay for purposes of computing experience for the minimum teacher salary schedule. A teacher on leave without pay pursuant to this section who pays the actuarial cost, as determined by the Board of Trustees of the Teachers' Retirement System, shall have the period during which such leave without pay is taken, counted toward retirement service credit as though the teacher had been on leave with pay. The teacher shall notify their employer and the System in writing within thirty (30) days from the date he or she returns to service that they will pay such actuarial cost. The teacher shall have up to twelve (12) months from the date he or she returns to service to pay such actuarial cost.

70 O.S., § 17-101. Definitions

The following words and phrases as used in this act, unless a different meaning is clearly required by the context, shall have the following meanings:

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

(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.

(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 this act, at the discretion of the Board of Trustees of the Teachers' Retirement System. 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 Oklahoma Teachers' Retirement System. The Department of Corrections shall contribute the employer's share to the Oklahoma Teachers' Retirement System.

(4) "Nonclassified optional personnel" shall include 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) "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.
- (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) "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) "Prior service" shall mean service rendered prior to July 1, 1943.
- (10) "Membership service" shall mean service as a member of the classified or nonclassified personnel as defined in paragraphs (3) and (4) of this section.
- (11) "Creditable service" shall mean membership service plus any prior service authorized under this title.
- (12) "Annuitant" shall mean any person in receipt of a retirement allowance as provided in this title.
- (13) "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to his individual account in the Teacher Savings Fund, together with interest as of June 30, 1968.
- (14) "Earnable compensation" shall mean the full rate of the compensation that would be payable to a member if he worked the full normal working time.
- (15) "Average salary":
- (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 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) 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 2 of this act 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) 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 to the Teachers' Retirement System was paid. Only salary on which required contributions have been made may be used in computing average salary.

(16) "Annuity" shall mean payments for life derived from the "accumulated contributions" of a member. All annuities shall be payable in equal 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" is one-twelfth (1/12) of the annual retirement allowance which shall be payable monthly.

(19) "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.

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

(21) "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.

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

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

(24) "Normal retirement age" means age sixty-two (62) or the age at which the sum of a member's age and number of years of creditable service total eighty (80) or ninety (90), for those who became a member after June 30, 1992, pursuant to Section 17-105 of this title, whichever occurs first.

(25) "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 all payments as provided in subsection D of Section 17-116.2 of this title.

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

(27) "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) "Maximum compensation level" shall, except as otherwise authorized pursuant to the provisions of Section 2 of this act, mean:

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

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

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

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

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

- (v) Fifty-two Thousand Five Hundred Dollars (\$52,500.00) for service authorized and performed on or after July 1, 2001, but not later than June 30, 2002,
 - (vi) 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) 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) 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) 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) 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,
 - (xi) the full amount of regular annual compensation for service authorized and performed on or after July 1, 2007, and
2. for members who elected a maximum compensation level in excess of Twenty-five Thousand Dollars (\$25,000.00):
- (i) 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) 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) 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) 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) 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) 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) 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) 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) 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,
 - (x) 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,
 - (xi) the full amount of regular annual compensation for service authorized and performed on or after July 1, 2007,
- (h) the full amount of regular annual compensation of:
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. 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. 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. 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. a member of the retirement system who, as of July 1, 1996, is subject to a maximum compensation level pursuant to paragraph (g) of this subsection if the member terminates service with a comprehensive university and is subsequently reemployed by a comprehensive university,
 6. a member of the retirement system employed by a comprehensive university for all service performed on and after July 1, 2007, or
 7. an eligible member of the retirement system who fulfills the requirements of Section 2 of this act 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.

(29) "Comprehensive university" shall mean:

- (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 Geological Survey, and
- (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, the Technical Branch at Okmulgee and Oklahoma State University-Tulsa.

70 O.S. § 17-101.1. Oklahoma Board of Private Vocational Schools

A. Except as otherwise provided for in this section, employees of the Oklahoma Board of Private Vocational Schools shall be members of the Teachers' Retirement System of Oklahoma.

B. Employees of the Oklahoma Board of Private Vocational Schools who were as of June 30, 1986, employees of the Oklahoma Board of Private Schools and members of the Oklahoma Public Employees Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and commence accruing benefits under the Teachers' Retirement System of Oklahoma on August 1, 1986. The Oklahoma Public Employees Retirement System shall transfer to the Teachers' Retirement System of Oklahoma the retirement records for each such employee and the actual amount contributed to the Oklahoma Public Employees Retirement System by the state and by each such employee transferring to the Oklahoma Teachers' Retirement System. All years and months of service accrued by each such employee pursuant to the provisions of the Oklahoma Public Employees Retirement System shall be treated as credited service in the Teachers' Retirement System of Oklahoma.

C. Employees of the Oklahoma Board of Private Vocational Schools who were as of June 30, 1986, employees of the Oklahoma Board of Private Schools and members of the Oklahoma Public Employees Retirement System, individually may choose to remain members of the Oklahoma Public Employees Retirement System. Any such employee choosing to remain a member of the Oklahoma Public Employees Retirement System shall submit written notification of such choice to the Oklahoma Department of Career and Technology Education prior to August 1, 1986. On August 1, 1986, the Oklahoma Department of Career and Technology Education shall notify the Oklahoma Public Employees Retirement System of those employees who chose to remain members of the Oklahoma Public Employees Retirement System and such employees shall not be transferred from the Oklahoma Public Employees Retirement System to the Teachers' Retirement System of Oklahoma.

70 O.S., § 17-102. Establishment of System

A retirement system is hereby established and placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits under the provisions of this act for teachers of the State of Oklahoma.

The Board of Trustees shall have the power and privileges of a corporation and shall be known as the "Board of Trustees of the Teachers' Retirement System of Oklahoma", and by such name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held in trust for the purpose for which received.

70 O.S., § 17-102.1. Termination of Retirement Plan

(1) In the event a plan of the retirement system is terminated or partially terminated the right of all participants or in the event of partial termination the rights of the affected participants, whether retired or otherwise, shall become fully vested.

(2) In the event of termination of the plan, the Board of Trustees shall distribute the net assets of the fund, allowing a period of not less than six (6) nor more than nine (9) months for dissolution of disability claims, as follows:

(a) First, accumulated contributions shall be allocated to each respective participant, former participant, retired member, joint annuitant or beneficiary then receiving payments. If these assets are insufficient for this purpose, they shall be allocated to each such person in the proportion which his accumulated contributions bear to the total of all such participants' accumulated contributions. For purposes of this section, contribution means payment into the system by an employer or employee for the benefit of an individual employee.

(b) The balance of such assets, if any, remaining after making the allocations provided in subparagraph (a) of this section shall be disposed of by allocating to each person then having an interest in the fund the excess of his retirement income under the plan less the retirement income which is equal to the actuarial equivalent of the amount allocated to him under subparagraph (a) of this section. Such allocation shall be made with the full amount of the remaining assets to be allocated to the persons in each group in the following order of precedence:

- (i) those retired members, joint annuitants or beneficiaries receiving benefits,
- (ii) those members eligible to retire,
- (iii) those members eligible for early retirement,
- (iv) former participants electing to receive a vested benefit, and
- (v) all other members.

In the event the balance of the fund remaining after all allocations have been made with respect to all retirement income in a preceding group is insufficient to allocate the full actuarial equivalent of such retirement income to all persons in the group for which it is then being applied, such balance of the fund shall be allocated to each person in such group in the proportion

which the actuarial equivalent of the retirement income allocable to him pursuant to such group bears to the total actuarial equivalent of the retirement income so allocable to all persons in such group.

Provided no discrimination in value results, the Board of Trustees shall distribute the amounts so allocated in one of the following manners as the Board of Trustees in their discretion may determine:

- (i) by continuing payment of benefits as they become due, or
- (ii) by paying, in cash, the amount allocated to any such person.

70 O.S. § 17-102.2. Governmental Plans

The retirement system shall satisfy the applicable qualification requirements for governmental plans as specified in Sections 401 and 414(d) of the Internal Revenue Code of 1954 or 1986, as amended from time to time and as appropriate for a governmental plan (hereinafter referred to as the "Code"). In addition to other Code provisions otherwise noted, and in order to satisfy the applicable requirements under the Code, the retirement system shall be subject to the following provisions, notwithstanding any other provision of the retirement system law:

- (1) The Board of Trustees shall distribute the corpus and income of the retirement system to the members and their beneficiaries in accordance with the retirement system law.
- (2) Forfeitures arising from severance of employment, death, or for any other reason may not be applied to increase the benefits any member would otherwise receive under the retirement system law.
- (3) All benefits paid from the retirement system shall be distributed in accordance with the requirements of Code Section 401(a)(9) and the regulations thereto. In order to meet these requirements, the retirement system shall be administered in accordance with the following provisions:
 - (a) The life expectancy of a member or the member's spouse may not be recalculated after the benefits commence.
 - (b) If a member dies before the distribution of the member's benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died.
 - (c) The amount of benefits payable to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of the Code.
- (4) The Board of Trustees or its designee may not:
 - (a) determine eligibility for benefits,
 - (b) compute rates of contribution, or
 - (c) compute benefits of members or beneficiaries, in a manner that discriminates in favor of members who are considered officers, supervisors, or highly compensated, as prohibited under Code Section 401(a)(4).
- (5) Benefits paid from the retirement system shall not exceed the maximum benefits permissible under Code Section 415.

(6) The Board of Trustees may not engage in a transaction prohibited by Code Section 503(b).

(7) To the extent required by Code Section 401(a)(31), the retirement system shall allow members and qualified beneficiaries to elect a direct rollover of eligible distributions to another eligible retirement plan.

70 O.S. § 17-102.3. Tax-Sheltered Annuity Program

The Tax-Sheltered Annuity Program provided by Section 17-101 et seq. of this title shall satisfy the applicable qualification requirements for grandfathered governmental tax-sheltered annuity programs as specified in 26 U.S.C. § 403(b) and the relevant regulatory provisions and guidance related thereto. In order to satisfy these requirements and guidelines, the Teachers' Retirement Tax-Sheltered Annuity Program shall be subject to the following provisions, notwithstanding any other provision of the law governing the Oklahoma Teachers' Retirement System:

(1) The Board of Trustees shall administer and distribute the corpus and income of the Tax-Sheltered Annuity Program to members and their beneficiaries pursuant to the applicable requirements under 26 U.S.C. § 403(b), relevant regulatory provisions and guidance under 26 U.S.C. § 403(b), and in accordance with the law governing the Oklahoma Teachers' Retirement System.

(2) All benefits paid from the retirement system shall be distributed in accordance with the applicable requirements of 26 U.S.C. §§ 403(b)(10) and 401(a)(9) and the regulations thereto.

(3) To the extent required by 26 U.S.C. §§ 403(b)(10) and 401(a)(31), the retirement system shall allow members and qualified beneficiaries to elect a direct rollover of eligible distributions to another eligible retirement plan.

(4) To the extent required under 26 U.S.C. § 403(b)(11) and the regulations thereto, distributions under the Tax-Sheltered Annuity Program shall only be paid when the member attains the age of fifty-nine and one-half (59 ½) years, separates from service, dies, becomes disabled, or in the case of hardship.

70 O.S. § 17-103. Membership

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

(1) All classified personnel shall become members of the retirement system as a condition of their employment;

(2) All full-time nonclassified optional personnel regularly employed for more than one (1) year may join the Teachers' Retirement System subject to the rules and regulations adopted pursuant to this act. Subject to the outcome of a private letter ruling request which shall be submitted by the Board to the Internal Revenue Service, the System shall permit full-time nonclassified optional personnel who have ceased to make otherwise

required employee contributions after having made an election to become a member of the retirement system to resume employee contributions. No service shall be credited to any such member for any period of time during which employee contributions were not made;

(3) All persons who shall become classified personnel or who are regularly employed in any school system as new classified personnel after July 1, 1943, hereof, shall become members of the retirement system as a condition of their employment;

(4) All other regular school employees may join the Teachers' Retirement System subject to the rules and regulations as may be adopted by the Board of Trustees of the Teachers' Retirement System;

(5) 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 members in any such class their individual entrance into the retirement system; and

(6) Should any 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 contributions, retire or die, he shall thereupon cease to be a member. The provisions of this paragraph shall not apply to any member of the Teachers' Retirement System 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 ½) years from date of termination of such service shall have elapsed.

70 O.S. § 17-103.1. OSU Cooperative Extension Employees

Employees of the Oklahoma State University Cooperative Extension Service who are members of the Oklahoma Public Employees Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits under the Teachers' Retirement System of Oklahoma on July 1, 1987. On January 1, 1988, the Oklahoma Public Employees Retirement System shall transfer to the Teachers' Retirement System of Oklahoma the actual amount contributed to the Oklahoma Public Employees Retirement System by the state and by each employee of the Oklahoma State University Cooperative Extension Service transferring to the Teachers' Retirement System of Oklahoma and the retirement records of those transferring employees. Service accrued by said employee of the Oklahoma State University Cooperative Extension Service under the Oklahoma Public Employees Retirement System shall be treated as credited service under the Teachers' Retirement System of Oklahoma. For purposes of this section, creditable service transferred from the Oklahoma Public Employees Retirement System shall include service authorized under paragraph (f) of subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes. Members who retire prior to July 1, 1990, shall have their monthly benefit adjusted to include all services accrued under paragraph (f) of subsection (2) of Section 913 of Title

74 of the Oklahoma Statutes. Provided however, that any adjustment of existing retirement benefits caused by reason of inclusion of such service authorized under paragraph (f) of subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes shall not affect any retirement benefit paid prior to July 1, 1990.

70 O.S. § 17-104. Prior Service Credits

(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) The Board of Trustees 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 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 member return to service in Oklahoma, he shall again become a member not entitled to prior service credit, with the provision that he may reestablish his prior service credit by re depositing 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 re deposit; 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 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.

70 O.S. § 17-105. Retirement

(1) (a) 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 filing a written application for such retirement. Such a retirement date will also apply to any person who became a member of the sending system as defined in this act, 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, whose age and number of years of creditable service total ninety (90) may be retired upon filing a written application for such retirement. The application shall be filed on the form provided by the Board of Trustees for this purpose, not less than thirty (30) days nor more than ninety (90) days before the date of retirement.

(b) An individual who becomes a member of the Teachers' Retirement System after July 1, 1967, 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.

(c) Any member with five (5) 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 year following his or her last contributing membership and shall become eligible to apply for retirement and be retired upon attaining age fifty-five (55).

(d) Members currently teaching in the public schools of Oklahoma past the fiscal year during which age seventy (70) was attained and who have not retired

shall be granted the privilege of making up the five percent (5%) contributions, plus interest, for the years taught after age seventy (70). Such member shall be given an indefinite extension of membership and be eligible to retire upon the filing of proper application for retirement as hereinbefore provided.

(2) An unclassified optional member who has retired or who retires 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) No member shall receive a lesser retirement benefit than he or she would have received under the law in effect at the time he or she retired. Any individual under the Teachers' Retirement System, who through error in stating the title of the position which he or she 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 said benefit may submit an application to the System for payment of said 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) The value of each year of prior service is the total monthly retirement benefit divided by the number of years of creditable service.

(5) Upon application of a member who is actively engaged in teaching in Oklahoma or his or her employer, any member who has been a contributing member for ten (10) years may be retired by the Board of Trustees not less than thirty (30) days nor more than ninety (90) days subsequent to the execution and filing thereof, on a disability retirement allowance, provided that it is found by the Board of Trustees 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 Board of Trustees shall give due consideration to the

conclusions and recommendations in the certified written report of the Medical Board of the Teachers' Retirement System regarding the disability application of such member. 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 provided by law. For members who are not eligible for disability benefits pursuant to the Social Security System, the Board of Trustees 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) A member who at the time of retirement has been found to be permanently physically or mentally incapacitated to teach school 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 may return to teaching. Any member retired before July 1, 1992 shall be eligible to receive the monthly retirement allowance herein provided, but such payment shall not begin until the first payment due him or her 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) A member who has qualified for retirement benefits under disability retirement shall have the total monthly payment deducted from his or her 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 subsection (8) of this section in lieu of the death benefit provided for in this subsection and in subsection (12) of this section.

(c) Once each year the Board of Trustees 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 said disabled annuitant or other place mutually agreed upon by a physician or physicians designated by the Board of Trustees. 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 Board of Trustees his or her allowance may be discontinued until he or she submits to such examination.

(d) 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 average final compensation, and should the Board of Trustees concur in such report

then the amount of his or her pension shall be reduced to an amount which, together with his or her retirement allowance and that amount earnable by him or her, shall equal the amount of his or her average final compensation. Should his or her earning capacity be later increased, the amount of his or her pension 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.

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

(7) Should a member before retirement under Section 1-101 et seq. of this title make application for withdrawal duly filed with the Board of Trustees and approved by it, not earlier than four (4) months after the date of termination of such service as a teacher, the contribution standing to the credit of his or her individual account in the Teachers' Savings Fund shall be paid to him or her or, in the event of his or her death before retirement, shall be paid to such person or persons as he or she shall have nominated by written designation, duly executed and filed with the Board of Trustees; provided, however, if there be no designated beneficiary surviving upon such death, such contributions shall be paid to his or her 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 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 Board of Trustees, 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 subject to the following schedule:

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

(b) 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) 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.

(d) 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 beneficiary.

(8) (a) In lieu of his or her 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 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 said 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) The first payment of any benefit selected shall be made on the first day of the month following approval of the retirement by the Board of Trustees. If the named designated beneficiary 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, including any post retirement benefit increases the member would have received had the member not selected Option 2 or 3 of this subsection. The benefit shall be determined at the date of death of the designated beneficiary or July 1, 1994, whichever is later. This increase shall become effective the first day of the month following the date of death of the designated beneficiary or July 1, 1994, whichever is later, 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 beneficiary in writing. In the absence of said written notice being filed by the member notifying the Teachers' Retirement System of Oklahoma of the death of the designated beneficiary 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.

Option 1. If he or she dies before he or she has received in annuity payments the present value of his or her 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 by written designation duly acknowledged and filed with the Board of Trustees at the time of his or her retirement; or

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 beneficiary for the life of the beneficiary. The written designation of the beneficiary must be duly acknowledged and filed with the Board of Trustees at the time of the member's retirement and cannot be changed after the effective date of the member's retirement; or

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 beneficiary. A written designation of a beneficiary must be duly acknowledged and filed with the Board of Trustees at the time of the member's retirement and cannot be changed after the effective date of the member's retirement; or

Option 4. Some other benefit or benefits shall be paid either to the member or to such person or persons as he or she 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 Board of Trustees; or

Option 5. A member receives a reduced retirement allowance for life. If the member dies within twenty-five (25) years from the date of commencement of the retirement payments, such payments shall be continued to the beneficiary of the member during the balance of the twenty-five-year period. The written designation of the beneficiary, who must be a spouse, shall be duly acknowledged and filed with the Board of Trustees at the time of the member's retirement.

(d) Provided that Option 2 and Option 3 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 beneficiary is not the spouse of the member.

(9) The governing board of any "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 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 1-101 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) In addition to the teachers' retirement herein provided, teachers may voluntarily avail themselves of the Federal Social Security Program upon a district basis.

(11) 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 and the death occurred after February 1, 1985, 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.

(12) Upon the death of an annuitant who has contributed to the System, the retirement system shall pay to the designated beneficiary of the annuitant or, if there is no designated beneficiary or if the designated beneficiary predeceases the annuitant, to the estate of the annuitant, the sum of Five Thousand Dollars (\$5,000.00) as a death benefit. 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.

(13) Upon the death of a member who dies leaving no living beneficiary or having designated his or her estate as beneficiary, the System may pay any applicable death benefit, unpaid contributions, or unpaid benefit which may be subject to probate, in an amount of Five Thousand Dollars (\$5,000.00) 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) Before any applicable probate procedure may be waived, the System must be in receipt of the member's proof of death and the following documents from those persons claiming to be the legal heirs of the deceased member:

1. The member's valid last will and testament;
2. An affidavit or affidavits of heirship which must state:
 - a. the names and signatures of all claiming heirs to the deceased member's estate including the claiming heirs' names, relationship to the deceased, current addresses and current telephone numbers,
 - b. 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. a statement that the value of the deceased member's entire estate is subject to probate, and that the estate wherever located,

less liens and encumbrances, does not exceed Five Thousand Dollars (\$5,000.00), including the payment of benefits or unpaid contributions from the System as authorized by this subsection,

d. 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,

e. 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 pending with the System;

3. A written agreement or agreements signed by all claiming heirs of the deceased member which provides 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 heirs;

4. 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.

(b) 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) 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. 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) 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 beneficiary of the member or to the member's estate if there is no 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.

70 O.S. § 17-105.1. Unpaid Accumulated Contributions, Payment to Beneficiary or Next of Kin

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. This provision shall apply to retired members dying on or after July 1, 1979.

70 O.S. § 17-105.2. Partial Lump Sum Payment

A. A member who is eligible to retire with at least thirty (30) years of creditable service may elect to receive a partial lump-sum payment on the date of retirement and a reduced annuity. The partial lump-sum payment shall be an amount equal to the unreduced retirement benefit, which shall be referred to as the "Maximum Retirement Allowance" for purposes of this section, which would have been paid over a period of twelve (12), twenty-four (24) or thirty-six (36) months, had the lump-sum option not been elected. Once the payout amount is elected, a reduced Maximum Retirement Allowance is then calculated using factors adopted by the Board of Trustees based upon the System's actuarial expected rate of return and the member's age at retirement and the payout option (twelve (12), twenty-four (24), or thirty-six (36) months) elected. This reduced Maximum Retirement Allowance shall also be reduced in accordance with any retirement options the member has elected pursuant to Section 17-105 of Title 70 of the Oklahoma Statutes.

B. The partial lump-sum payment, pursuant to this section, shall be paid in a check separate from the regular monthly retirement benefit. The total amount of the partial lump-sum payment shall be deducted from the member's account balance consisting of the employee contributions plus interest for purposes of determining unused contributions remaining in the account. The member may elect to rollover the taxable portion of the partial lump-sum payment to an eligible retirement plan or individual retirement account (IRA). The nontaxable portion of the partial lump-sum payment can be rolled over to an IRA or another qualified retirement plan as allowed by the Internal Revenue Code and regulations. This partial lump-sum payment shall be subject to federal income tax in accordance with the Internal Revenue Code Section 72 and other such Internal Revenue Code sections and regulations as may be applicable. This partial lump-sum benefit is subject to the same restrictions for assignment and attachment as all other retirement benefits. The appropriate portion of the partial lump-sum distribution will be reported to the Internal Revenue Service (IRS) as taxable income and appropriate tax withholdings will be withheld unless the member elects to make a direct rollover of the taxable portion of the funds. Should the member have after-tax contributions, a portion of such after-tax contributions will be allocated to the partial lump-sum payment and to the remaining annuity on a prorata basis.

C. The partial lump-sum option under this section may be elected only once by a member and may not be elected by a retiree.

D. The board of trustees shall promulgate any rules necessary for the implementation of this section.

70 O.S. § 17-106. Board of Trustees

(1) The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of the act are hereby

vested in a Board of Trustees which shall be known as the Board of Trustees and shall be organized immediately after a majority of the trustees provided for in this section shall have qualified and taken the oath of office.

- (2) The Board shall consist of the following members:
 - (a) The State Superintendent of Public Instruction, ex officio.
 - (b) The Director of State Finance, ex officio.
 - (c) The Director of the Oklahoma Department of Career and Technology Education, ex officio, or his or her designee.
 - (d) One member appointed by the Governor whose initial term of office shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.
 - (e) Two members shall be appointed by the Governor of the State of Oklahoma and approved by the Senate. The two members shall be: 1. a representative of a school of higher education in Oklahoma whose term of office shall initially be one (1) year, and 2. a member of the System of the nonclassified optional personnel status whose initial term of office shall be two (2) years. After the said initial terms of office the terms of said members shall be four (4) years.
 - (f) Upon the expiration of the term of office of the stockbroker member of the Board, the Governor shall appoint a member to the Board whose initial term of office shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.
 - (g) Upon the expiration of the term of office of the representative of the insurance industry member of the Board, the Governor shall appoint a member to the Board whose initial term of office shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.
 - (h) Upon the expiration of the term of office of the investment counselor member of the Board, the Governor shall appoint a member to the Board whose initial term of office shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.
 - (i) Upon the expiration of the term of office of the active classroom teacher member of the Board, the President Pro Tempore of the Senate shall appoint a member to the Board, who shall be an active classroom teacher and whose initial term of office shall expire on January 8, 1991. The members thereafter appointed by the President Pro Tempore of the Senate shall serve a term of office of four (4) years.
 - (j) Upon the expiration of the term of office of the retired classroom teacher member of the Board, the Speaker of the House of Representatives shall appoint a member to the Board, who shall be a retired member of the System

and whose initial term of office shall expire on January 8, 1991. The members thereafter appointed by the Speaker of the House of Representatives shall serve a term of office of four (4) years.

(k) The Speaker of the House of Representatives shall appoint a member to the Board, who shall be an active classroom teacher and whose initial term of office shall expire on January 3, 1989. The members thereafter appointed by the Speaker of the House of Representatives shall serve a term of office of four (4) years.

(l) The President Pro Tempore of the Senate shall appoint a member to the Board, who shall be a retired member of the System and whose initial term of office shall expire on January 3, 1989. The members thereafter appointed by the President Pro Tempore of the Senate shall serve a term of office of four (4) years.

(3) Persons who are appointed to the Board of Trustees by the Governor pursuant to paragraphs (d), (f), (g) and (h) of subsection (2) of this section shall:

(a) have demonstrated professional experience in investment or funds management, public funds management, public or private pension fund management or retirement system management; or

(b) have demonstrated experience in the banking profession and have demonstrated professional experience in investment or funds management; or

(c) be licensed to practice law in this state and have demonstrated professional experience in commercial matters; or

(d) be licensed by the Oklahoma State Board of Public Accountancy to practice in this state as a public accountant or a certified public accountant.

The appointing authorities, in making appointments that conform to the requirements of this subsection, shall give due consideration to balancing the appointments among the criteria specified in paragraphs (a) through (d) of this subsection.

(4) No member of the Board of Trustees shall be a lobbyist registered in this state as provided by law.

(5) Notwithstanding any of the provisions of this section to the contrary, any person serving as an appointed member of the Board of Trustees on the operative date of this act shall be eligible for reappointment when the term of office of the member expires.

(6) If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

(7) Each of the trustees, except those who are state officials serving ex officio, shall receive travel expenses in accordance with the State Travel Reimbursement Act.

(8) Each trustee shall, within ten (10) days after his appointment or election, take an oath of office that, so far as it devolves upon him, he will diligently and honestly administer the affairs of the Board of Trustees and that he will not knowingly violate or willingly permit to be violated any of the provisions of law applicable to the retirement system. Such oath shall be subscribed to by the member

making it, certified by the officer before whom it is taken, and immediately filed in the office of the Secretary of State.

(9) Each trustee shall be entitled to one vote on the Board of Trustees. Seven votes shall be necessary for a decision by the trustees at any meeting of said Board.

(10) Subject to the limitations of this act, the Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this act and for the transaction of its business. Provided that such rules and regulations may include rules and regulations providing for the withholding from the retirement allowance due a retired person under the provisions of this act an amount requested in writing by the retiree for the purpose of paying:

(a) monthly premiums on group hospital and surgical insurance programs to which such retiree belongs, and for the transmitting of the sums so withheld to the insurance carrier designated by the retiree; and

(b) membership dues in any statewide association limited to retired educator membership with a minimum membership of one thousand (1,000) dues-paying members and for the transmitting of the sums so withheld.

(11) The Board of Trustees shall elect from its membership a chairman, and by a majority vote of all of its members shall appoint a secretary-treasurer, who may be, but need not be, one of its members. The Board shall employ an executive secretary and shall engage such actuarial and other service as shall be required to transact the business of the retirement system. The compensation of all persons engaged by the Board and all other expenses of the Board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the Board shall approve.

(12) The members of the Board of Trustees, the Executive Secretary and the employees of the System shall not accept gifts or gratuities from an individual organization with a value in excess of Fifty Dollars (\$50.00) per year. The provisions of this section shall not be construed to prevent the members of the Board of Trustees, the Executive Secretary or the employees of the System from attending educational seminars, conferences, meetings or similar functions which are paid for, directly or indirectly, by more than one organization.

(13) The Board of Trustees shall keep in convenient form such data as shall be necessary for actuarial valuation of the various funds of the retirement system and for checking the experience of the system.

(14) The Board of Trustees shall keep a record of all of its proceedings which shall be open to public inspection. It shall publish annually a report showing the fiscal transactions of the retirement system for the preceding school year, the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system and a detailed accounting of its administrative expenses.

(15) The Board of Trustees shall retain an attorney who is licensed to practice law in this state. The attorney shall serve at the pleasure of the Board of Trustees for such compensation as may be provided by the Board of Trustees. The attorney shall advise the Board of Trustees and perform legal services for the Board of

Trustees with respect to any matters properly before the Board of Trustees. When requested by the Board of Trustees, the Attorney General of the state also shall render legal services to the Board of Trustees. In addition to the above, the Board of Trustees may employ hearing examiners to conduct administrative grievance hearings under the provisions of the Oklahoma Administrative Procedures Act, Sections 301 through 325 of Title 75 of the Oklahoma Statutes.

(16) Suitable offices shall be furnished by the Department of Central Services. Upon the failure or inability of the Department of Central Services to provide adequate facilities, the Board of Trustees may contract for necessary office space in suitable quarters.

(17) The Board of Trustees shall designate a Medical Board to be composed of three physicians not eligible to participate in the retirement system. The physicians so appointed by the Board of Trustees shall be legally qualified to practice medicine in Oklahoma and shall be physicians of good standing in the medical profession. If required, other physicians may be employed to report on special cases. The Medical Board shall pass upon all medical examinations required under the provisions of this act and shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement and shall report in writing to the Board of Trustees its conclusion and recommendation upon all the matters referred to it. The Board of Trustees shall adopt such rules and regulations as may be necessary to properly administer this benefit.

(18) The Board of Trustees shall designate an actuary who shall be the technical advisor of the Board of Trustees on matters regarding the operation of funds created by the provisions of this act and shall perform such other duties as are required in connection therewith.

(19) At least once each five (5) years the actuary shall make an actuarial investigation of the experience of the retirement system, including the mortality, service and compensation experience of members and beneficiaries. Based on the results of such investigation the actuary shall recommend for adoption by the Board of Trustees such tables and rates as are required for the operation of the retirement system and for the preparation of annual actuarial valuations.

(20) On the basis of such tables and rates as the Board of Trustees shall adopt, the actuary shall prepare an annual actuarial valuation of the assets and liabilities of the retirement system and certify the rates of contribution payable by the state under the provisions of law concerning the Teachers' Retirement System.

(21) Subject to the funds available under the provisions of Section 1004 of Title 68 of the Oklahoma Statutes, the employer contributions to the retirement system for the fiscal year beginning July 1, 1987, and for each fiscal year thereafter, shall be determined by the Board of Trustees on the basis of the most recent actuarial valuation, which amount shall be calculated as the sum of the normal cost for the fiscal year plus the payment required to amortize the unfunded accrued liability at a rate of level dollar payments not to exceed forty (40) years.

70 O.S. § 17-106.1. Board of Trustees, Duties, Investments, Reports

A. The Board of Trustees of the Teachers' Retirement System of Oklahoma shall discharge their duties with respect to the System solely in the interest of the participants and beneficiaries and:

1. For the exclusive purpose of:
 - a. providing benefits to participants and their beneficiaries, and
 - b. defraying reasonable expenses of administering the System;
2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
3. By diversifying the investments of the System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
4. In accordance with the laws, documents and instruments governing the System.

B. The Board of Trustees may procure insurance indemnifying the members of the Board of Trustees from personal loss or accountability from liability resulting from a member's action or inaction as a member of the Board.

C. The Board of Trustees may establish an investment committee. The investment committee shall be composed of not more than five (5) members of the Board of Trustees appointed by the chairman of the Board of Trustees. The committee shall make recommendations to the full Board of Trustees on all matters related to the choice of custodians and managers of the assets of the System, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the Board of Trustees in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the Board of Trustees nor take effect without the approval of the Board of Trustees as provided by law.

D. The Board of Trustees may retain qualified investment managers to provide for the investment of the monies of the System. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board of Trustees. Subject to the overall investment guidelines set by the Board of Trustees, the investment managers shall have full discretion in the management of those monies of the System allocated to the investment managers. The Board of Trustees shall manage those monies not specifically allocated to the investment managers. The monies of the System allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

E. Funds and revenues for investment by the investment managers or the Board of Trustees shall be placed with a custodian selected by the Board of Trustees. The custodian shall be a bank or trust company offering pension fund master trustee

and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board of Trustees. In compliance with the investment policy guidelines of the Board of Trustees, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the System are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the System as to the investment of the monies of the System in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the Board of Trustees for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

F. By November 1, 1988, and prior to August 1 of each year thereafter, the Board of Trustees shall develop a written investment plan for the System.

G. The Board of Trustees shall compile a quarterly financial report of all the funds of the System on a fiscal year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The Board of Trustees shall include in the quarterly reports all commissions, fees or payments for investment services performed on behalf of the Board. The report shall be distributed to the Governor, the Oklahoma State Pension Commission, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

H. After July 1 and before December 1 of each year, the Board of Trustees shall publish widely an annual report presented in simple and easily understood language pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall be submitted to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Oklahoma State Pension Commission and the members of the System. The annual report shall cover the operation of the System during the past fiscal year, including income, disbursements, and the financial condition of the System at the end of the fiscal year. The annual report shall also contain the information issued in the quarterly reports required pursuant to subsection G of this section as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over funded status, contributions and any other information deemed relevant by the Board of Trustees. The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performance of the System for the fiscal year. In order to standardize the information and analysis of the financial condition of the System, the Board shall provide information regarding the financial and actuarial condition of the System using

assumptions or requirements as hereinafter required for the report stating the condition of the System as of July 1, 2002, and for each subsequent reporting date, which information shall be contained in an appendix or addendum to the annual report. For purposes other than the reporting requirements contained in the appendix or addendum, all actuarial and economic assumptions shall be those assumptions adopted by the System in its annual actuarial valuation. The appendix or addendum shall contain a statement of the financial condition of the System:

1. Using an assumed rate of return of seven and one-half percent (7.5%), net of investment expenses, per annum, compounded annually;
2. Using an actuarial assumption regarding cost-of-living adjustments for the System of two percent (2%) annually;
3. That relies upon the use of appropriate preretirement, postretirement and disability retirement information using generational projections taken from the RP-2000 Mortality Tables, published by the Society of Actuaries;
4. Which accurately and completely summarizes all sources of system assets, other than employee contributions, which shall include, but not be limited to, the total of all employer contributions, any dedicated tax or fee revenue of whatever kind or however denominated, and the total amount of any other source of revenue which accrues to the System, other than return on investments, such as federal monies used for the purpose of making employer contributions; and
5. Using an assumption that the unfunded actuarial accrued liabilities of the System are amortized over a period of thirty (30) years, in a manner consistent with the Governmental Accounting Standards Board Statement Number 25.

I. The Board of Trustees shall adopt a cost of living adjustment actuarial assumption in its annual actuarial valuation report.

70 O.S. § 17-106.2. Fiduciary Duties

A. A fiduciary with respect to the Teachers' Retirement System of Oklahoma shall not cause the System to engage in a transaction if the fiduciary knows or should know that such transaction constitutes a direct or indirect:

1. sale or exchange, or leasing of any property from the System to a party in interest for less than adequate consideration or from a party in interest to the System for more than adequate consideration;
2. lending of money or other extension of credit from the System to a party in interest without the receipt of adequate security and a reasonable rate of interest, or from a party in interest to the System with provision of excessive security or an unreasonably high rate of interest;
3. furnishing of goods, services or facilities from the System to a party in interest for less than adequate consideration, or from a party in interest to the System for more than adequate consideration; or
4. transfer to, or use by or for the benefit of, a party in interest of any assets of the System for less than adequate consideration.

- B. A fiduciary with respect to the Teachers' Retirement System of Oklahoma shall not:
1. deal with the assets of the System in the fiduciary's own interest or for the fiduciary's own account;
 2. in the fiduciary's individual or any other capacity act in any transaction involving the System on behalf of a party whose interests are adverse to the interests of the System or the interests of its participants or beneficiaries; or
 3. receive any consideration for the fiduciary's own personal account from any party dealing with the System in connection with a transaction involving the assets of the System.
- C. A fiduciary with respect to the Teachers' Retirement System of Oklahoma may:
1. invest all or part of the assets of the System in deposits which bear a reasonable interest rate in a bank or similar financial institution supervised by the United States or a state, if such bank or other institution is a fiduciary of such plan; or
 2. provide any ancillary service by a bank or similar financial institution supervised by the United States or a state, if such bank or other institution is a fiduciary of such plan.
- D. A person or a financial institution is a fiduciary with respect to the Teachers' Retirement System of Oklahoma to the extent that the person or the financial institution:
1. exercises any discretionary authority or discretionary control respecting management of the Teachers' Retirement System of Oklahoma or exercises any authority or control respecting management or disposition of the assets of the System;
 2. renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the System, or has any authority or responsibility to do so; or
 3. has any discretionary authority or discretionary responsibility in the administration of the System.

70 O.S. § 17-106.3. Contributions, Deposits, Refunds, Overpayments

- 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 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.

70 O.S. § 17-106.4. District Court Appeals

Any person aggrieved by any decision of the board of Trustees may appeal from such decision by filing a petition in the Oklahoma County District Court within thirty (30) days from the date of such decision. All actions or proceedings directly or indirectly against the Teachers' Retirement System of Oklahoma shall be brought in Oklahoma County

70 O.S. § 17-107. Investment Interest

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 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 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 residue remaining in the Interest Fund after the requirements of paragraphs 1 through 3 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.

70 O.S. § 17-107.1. Repealed

Repealed by Laws 1988, c. 321, § 45, operative July 1, 1988.

70 O.S. § 17-108. Contributions and Funds

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 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 the contribution rate to be paid by contributing employers as provided in subsection A of this section. The contribution rate 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 rate for each fiscal year ending June 30, no later than April 1 of the previous fiscal year.

C. All the assets of the retirement system shall be credited according to the purpose for which they are held to one of ten funds, namely: The Teachers' Savings Fund, the Retirement Benefit Fund, the Interest Fund, the Permanent Retirement Fund, the Expense Fund, the Suspense Fund, the Reserve for Investment Fluctuations Fund, the Teachers' Deposit Fund, the Membership Annuity Reserve 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 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 said 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. The employer shall certify to the Board of Trustees on each and every payroll, or in such other manner as said Board may prescribe, the amounts to be deducted, and each of said amounts shall be deducted, and when deducted shall be paid into said Teachers' Savings Fund, and shall be credited to the individual account of the member from whose compensation said 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 said Section 17-105 of this title shall be transferred to the Suspense Fund.

4. Upon the retirement of a member an amount sufficient to pay his annuity benefit for a two-year period shall be transferred from the Teachers' Savings Fund to the Retirement Benefit Fund; an amount sufficient to pay his annuity benefit for one (1) year shall be transferred each succeeding year thereafter. Should a member who has retired under Option 1 die, the balance of money he had in Teachers' Savings Fund shall be transferred to the Retirement Benefit Fund for payment to his beneficiary or estate.

5. Retirement Benefit Fund.
 - a. After August 2, 1969, there shall be transferred from the Teachers' Savings Fund and the Membership Annuity Reserve 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. 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.
 - c. From the Retirement Benefit Fund shall be paid all monthly retirement benefits.
 - 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 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 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. The Reserve for Investment Fluctuations Fund shall be the fund in which eight percent (8%) of the investment earnings and the realized profits from the sale or exchange of securities shall be deposited each year until an amount equal to two percent (2%) of the total investments shall be accumulated, and such fund shall thereafter be maintained at such level. Upon proper resolution by the Board of Trustees transfers may be made from this fund to reimburse the investment account of other funds wherein a deficit shall have accrued.

11. Teachers' Deposit Fund.

Any member may request, prior to a pay period, that his employer make additional deposits for him, 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 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.

12. The Membership Annuity Reserve Fund is composed of teachers' contributions and state matching funds for those members who retired before August 2, 1968. From this fund there shall be transferred the actuarial equivalent necessary to pay retirement benefits for a period of two (2) years and thereafter the actuarial equivalent necessary to pay retirement benefits for one (1) succeeding year.

13. Collection of Contributions.

a. The collection of members' contributions shall be as follows:

(1) 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. With each and every payroll or claim the employer shall deliver to the treasurer of said employer warrants issued to the employees as shown to be due by said payroll or claim, together with a warrant or warrants in favor of the Teachers' Retirement System as shown by said payroll or claim.

(2) The treasurer or disbursing officer upon delivery of the warrants and a true copy of the payroll or claims as provided above shall register said 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 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 Secretary 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) 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 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 Secretary of the Board of Trustees of the Teachers' Retirement System. 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.

(4) The State Treasurer shall furnish annually to the Board of Trustees a sworn statement of the amount of the funds in his 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 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) Failure of any superintendent, officer, or other person to discharge the duties imposed upon him by this act shall render him or his bondsman liable for any loss occasioned thereby to the Teachers' Retirement System or the employees of the school district, or both.

(6) On a showing by the Teachers' Retirement System 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; and the Teachers' Retirement System shall save harmless any school district or agency of state government making payment under the provisions hereof to the State Teachers' Retirement System 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, and any loss sustained therefrom shall be charged to the Interest Fund.

14. 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

Code Section 415(n)(3)(A), with a direct trustee-to-trustee transfer from a governmental Code Section 403(b) plan or governmental 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.

15. 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.

70 O.S. § 17-108.1. Employer Contributions (effective November 1, 2007)

A. 1. Except as provided in paragraph 2 of this subsection, the employer of any member of the Teachers' Retirement System of Oklahoma shall make the following contributions to the System:

- a. beginning July 1, 1998, through June 30, 1999, eleven and one-half percent (11 ½%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- b. beginning July 1, 1999, through June 30, 2000, four and eight-tenths percent (4.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- c. beginning July 1, 2000, through June 30, 2001, five and eight-tenths percent (5.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- d. beginning July 1, 2001, through June 30, 2002, six and eight-tenths percent (6.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- e. beginning July 1, 2002, through December 31, 2006, seven and five-hundredths percent (7.05%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- f. beginning January 1, 2007, through June 30, 2007, seven and six-tenths percent (7.6%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

- g. beginning July 1, 2007, through December 31, 2007, seven and eighty-five hundredths percent (7.85%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- h. beginning January 1, 2008, through June 30, 2008, eight and thirty-five hundredths percent (8.35%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- i. beginning July 1, 2008, through December 31, 2008, eight and five-tenths percent (8.5%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- j. beginning January 1, 2009, through December 31, 2009, nine percent (9%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,
- k. beginning January 1, 2010, through June 30, 2010, nine and five-tenths percent (9.5%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member, and
- l. beginning July 1, 2010, through June 30, 2011, and for each fiscal year thereafter, nine and five-tenths percent (9.5%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member.

The employer contribution rate increase that would otherwise be effective, as provided by subparagraphs f, g, h, i, j, k and l of this paragraph, shall not become effective as law unless funding levels to each of the affected participating employers within the System are increased so that the additional employer contribution obligation is funded through an appropriation or transfer of monies instead of requiring the additional employer contribution to be paid for from existing budgetary resources of such participating employers. The participating employers shall use any monies specifically made available for purposes of making employer contributions for such purpose and to the extent of the funds made available for that purpose.

2. a. Beginning January 1, 2007, through December 31, 2007, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education shall make contributions to the System with respect to such employees at the rate of seven and five-hundredths percent (7.05%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level.

b. Beginning January 1, 2008, through December 31, 2008, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education shall make contributions to the System with respect to such employees at the rate of seven and fifty-five hundredths percent (7.55%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member.

c. Beginning January 1, 2009, through December 31, 2009, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education shall make contributions to the System with respect to such employees at the rate of eight and five hundredths percent (8.05%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member.

d. Beginning January 1, 2010, through June 30, 2010, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education shall make contributions to the System with respect to such employees at the rate of eight and fifty-five hundredths percent (8.55%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member.

e. Beginning July 1, 2010, through June 30, 2011, and for each fiscal year thereafter, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education shall make contributions to the System with respect to such employees at the rate of eight and fifty-five hundredths percent (8.55%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member.

The employer contribution rate increase that would otherwise be effective as provided by subparagraphs b, c, d and e of this paragraph shall not become effective as law unless funding levels are increased so that the additional employer contribution obligation is funded through such an appropriation or transfer of monies instead of requiring the additional employer contribution to be paid for from existing budgetary resources of such participating employers. The participating employers shall use any monies specifically made available for purposes of making employer contributions for such purpose and to the extent of the funds made available for that purpose.

3. Any employer contribution paid to the System pursuant to this subsection shall not be considered as salary, fringe benefit, or total compensation due to members for the purpose of meeting any legislative or contractual obligation of the employer.

B. For entities or institutions within The Oklahoma State System of Higher Education, the contributions to the System shall be made on regular annual compensation of a member who is an employee of such entity or institution not to exceed the maximum compensation level in effect for the member as prescribed by law.

C. Employers paying contributions to the System pursuant to subsection A or B of this section shall receive credit for that portion of the gross production tax on natural gas and/or casinghead gas apportioned to the System pursuant to subsection 2 of Section 1004 of Title 68 of the Oklahoma Statutes in meeting the total required employer contribution. On an annual basis, the Board of Trustees of the Teachers' Retirement System of Oklahoma shall estimate the net additional cost required to

be paid by the contributing employers in order to meet the total employer contribution as provided in subsection A or B of this section. The Board of Trustees shall approve the amount of the additional contribution required to be paid by contributing employers as a percentage of total member salaries and fringe benefits for each fiscal year ending June 30, no later than April 1 of the previous fiscal year. In no event shall the additional contribution required to be paid by the contributing employer under this subsection be less than the contribution required under this subsection in the prior year. In the event actual contributions do not equal the required total contribution as provided in subsection A or B of this section, the net difference between the actual contributions and the required total contributions shall be determined and shall be included in the amount of the additional contribution required to be paid by contributing employers for the next fiscal year. All contributing employers shall pay the same percentage of total member salaries and fringe benefits during each fiscal year. The provisions of this subsection shall terminate June 30, 1999.

D. Any school district, state college or university, State Board of Education, State Board of Career and Technology Education, or other state agency may, for and on behalf of any member of the System, pay all or any portion of the contribution required by Section 17-108 of this title. Provided, the contribution so paid by any school district, state college or university, State Board of Education, State Board of Career and Technology Education, or other state agency shall be and remain subject to the withdrawal provisions set forth under the System. Wherever the term "contribution" is used, it shall be deemed to include contributions paid for and on behalf of a member by a school district, state college or university, State Board of Education, State Board of Career and Technology Education, or other state agency.

E. All participating employers shall provide a complete record of the total compensation paid to each employee, including any person who is a retired member of the System, whether or not employer and employee contributions are made with respect to such compensation. The employer shall provide the report required by this subsection on a monthly basis on a form or using such method as the Teachers' Retirement System of Oklahoma may require.

70 O.S. § 17-108.2. Contribution Credit

A. Beginning July 1, 1998, and for each plan year thereafter, a teacher employed by any school district or employed by a technology center school district who qualifies for a minimum salary pursuant to the schedule contained in Section 18-114.7 of this title, shall have credited against the employee contribution amount, as applicable to the amount of compensation required to be paid to the teacher as a minimum salary pursuant to Section 18-114.7 of this title, an annual amount based upon qualifying years of service as follows:

YEARS OF SERVICE	CREDIT AMOUNT
0	\$60.15
1	\$103.41

2	\$145.65
3	\$188.15
4	\$233.33
5	\$278.76
6	\$325.26
7	\$372.82
8	\$421.44
9	\$471.12
10	\$521.87
11	\$573.67
12	\$626.54
13	\$680.48
14	\$735.47
15	\$791.53
16	\$848.65
17	\$906.83
18	\$966.07
19	\$1,026.38
20	\$1,087.75
21	\$1,150.18
22	\$1,213.68
23	\$1,278.23
24	\$1,343.85
25 or more	\$1,410.53

B. The state shall pick up and pay the annual amount prescribed by subsection A of this section, based upon the conditions prescribed by subsection A of this section, to the Teachers' Retirement System. The annual amount prescribed by subsection A of this section shall be divided into monthly amounts as may be required in order to give full effect to the credit amount without the necessity of dividing the annual credit amount into twelve (12) equal installments.

C. If an eligible teacher terminates service prior to June 30 of any applicable plan year, the amounts prescribed by subsection A of this section, and transferred to the Teachers' Retirement System from the State Board of Education and the State Board of Career and Technology Education shall be retained by the Teachers' Retirement System of Oklahoma and treated as an actuarial gain of the System.

D. If an employing school district has contractually committed to make payment of the employee contributions required by Section 17-116.2 of this title for a member who is eligible for the credit amount prescribed by subsection A of this

section for the fiscal year, using funds available to the district and not by effecting the employee contribution through a deduction from the member's gross salary, the district shall pay additional compensation to each of its eligible teachers in an amount equal to the amount prescribed by subsection A of this section based upon the number of years of teaching experience of the eligible member.

E. If an eligible member is hired by a school district or a technology center school district and receives compensation for less than one hundred eighty (180) days of service, the district shall determine a pro rata amount of the annual credit amount and shall pay additional compensation to the member equal to the pro rata amount for each month during which the member is employed. The monthly credit amount for such member shall be added to the member's compensation beginning with the first full month during which the member is employed by the district.

F. The amount required to be added to the compensation of the eligible member pursuant to subsection D of this section shall be subject to any applicable federal or state taxes upon the additional income.

G. The amount required to be added to the compensation of the eligible member pursuant to subsection D of this section shall not be treated as regular annual compensation for purposes of Section 17-116.2 of this title or as salary or fringe benefits for purposes of determining the minimum salary pursuant to the requirements of Section 18-114.7 of this title or for purposes of meeting the requirements of any locally adopted salary schedule.

H. The employing district shall prepare its payroll records to reflect that the total employee contribution amount, for the salary not in excess of the applicable minimum salary amount, has been paid pursuant to a combination of the payment from the funds of the employing district and the amount credited to the employee contribution account of the member pursuant to subsection A of this section.

I. If an employing school district has contractually committed to deduct employee contributions required by Section 17-116.2 of this title by effecting the employee contribution through a deduction from the member's gross salary, the district shall decrease the amount of the payroll deduction for such employee contribution by the amount as prescribed in subsection A of this section, based upon the number of years of teaching experience of the member. The amount required to be subtracted from the amount by which the employee's gross salary would otherwise be reduced pursuant to this subsection shall be subject to any applicable federal or state taxes. The employing district shall prepare its payroll records to reflect that the total employee contribution amount, for the salary not in excess of the applicable minimum salary amount, has been paid pursuant to a combination of the deduction from the member's salary and the amount credited to the employee contribution account of the member pursuant to subsection A of this section.

70 O.S. § 17-109. Retirement Allowance, Qualified Domestic Order

A. Except as otherwise provided by this section, the right of a person to an annuity or a retirement allowance, to the return of contributions, annuity, or retirement allowance itself, any optional benefit, or any other right accrued or

accruing to any person under the provisions of this act, and the monies in the various funds created by this act, are hereby exempt from levy and sale, garnishment, attachment or any other process whatsoever, and shall be unassignable except as in this act specifically provided. Notwithstanding the foregoing, the Board of Trustees may approve any offset of a member's benefit to pay a judgment or settlement against a member for a crime involving the System, for a breach of member's fiduciary duty to the System, or for funds or monies incorrectly paid to a member or a beneficiary by mistake, provided such offset is in accordance with the requirements of Section 401(a)(13) of the Internal Revenue Code of 1986.

B. 1. The provisions of subsection A of this section shall not apply to a qualified domestic order as provided pursuant to this subsection.

2. The term "qualified domestic order" means an order issued by a district court of this state pursuant to the domestic relation laws of the State of Oklahoma which relates to the provision of marital property rights to a spouse or former spouse of a member or provision of support for a minor child or children and which creates or recognizes the existence of the right an alternate payee, or assigns to an alternate payee the right to receive a portion of the benefits payable with respect to a member of the Retirement System.

3. For purposes of the payment of marital property, to qualify as an alternate payee, a spouse or former spouse must have been married to the related member for a period of not less than thirty (30) continuous months immediately preceding the commencement of the proceedings from which the qualified domestic order issues.

4. A qualified domestic order is valid and binding on the Board of Trustees and the related member only if it meets the requirements of this subsection.

5. A qualified domestic order shall clearly specify:

- a. the name and last-known mailing address (if any) of the member and the name and mailing address of the alternate payee covered by the order,
- b. the amount or percentage of the member's benefits to be paid by the Retirement System to the alternate payee,
- c. the number of payments or period to which such order applies,
- d. the characterization of the benefit as to marital property rights or child support, and
- e. each plan to which such order applies.

6. A qualified domestic order meets the requirements of this subsection only if such order:

- a. does not require the Retirement System to provide any type or form of benefit, or any option not otherwise provided under state law as relates to the Retirement System,
- b. does not require the Retirement System to provide increased benefits, and
- c. does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a qualified domestic order or an

order recognized by the Retirement System as a valid order prior to the effective date of this act.

7. A qualified domestic order shall not require payment of benefits to an alternate payee prior to the actual retirement date or withdrawal of the related member.

8. The obligation of the Retirement System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member.

9. This subsection shall not be subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C.A. Section 1001, et seq., as amended from time to time, or rules and regulations promulgated thereunder, and court cases interpreting said act.

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

11. An alternate payee who has acquired beneficiary rights pursuant to a valid qualified domestic order must fully comply with all provisions of the rules promulgated by the Board of Trustees pursuant to this subsection in order to continue receiving his or her benefit.

70 O.S. § 17-109.1. Confidentiality

Except for the member's name, age, amount of contributions paid in, benefits being paid, amount of credited service and any documents verifying credited service or benefits, all information, documents and copies thereof contained in a member's retirement file shall be given confidential treatment and shall not be made public by the System without the prior written consent of the member to which it pertains, but shall be subject to subpoena or court order.

70 O.S. § 17-110. False Statements

Any person who shall knowingly make any false statement or shall falsify or permit to be falsified, any record or records of this retirement system in any attempt to defraud such system as a result of such act shall be guilty of a felony. Should any charge or error in the records result in any member or beneficiary receiving from the retirement system more or less than he would have been entitled to receive had the records been correct, the Board of Trustees shall correct such error, and so far as practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid, and to take from the Interest Fund sufficient to reimburse the Fund where an overpayment had already been made, and any such overpayment recovered from the member shall be placed in the Interest Fund.

70 O.S. § 17-111. Official Bonds

The Treasurer of the State of Oklahoma shall upon becoming custodian of the Teachers' Retirement Fund, give a bond in the sum of Fifty Thousand Dollars (\$50,000.00); the Executive Secretary shall give bond in the sum of Twenty-five

Thousand Dollars (\$25,000.00); and the Board of Trustees shall require any other employees and members of the Board of Trustees to give bond in such amounts as the Board may deem necessary, conditioned that said bonded persons will faithfully execute the duties of the respective offices. All bonds shall be made with a good and solvent surety company, authorized to do business in the State of Oklahoma; said bonds shall be made payable to the Board of Trustees and shall be approved by it and the Attorney General of Oklahoma. All expense necessary and incident to the execution of such bonds, including premiums thereon, shall be paid by the Board of Trustees from the Expense Fund.

70 O.S. § 17-112. Audit of Funds, Accounts and Assets

It shall be the duty of the State Auditor and Inspector to audit annually the funds, accounts and assets of the Teachers' Retirement System.

70 O.S. § 17-113. Military Service

In determining annual increments for teacher salaries and in computing Foundation Aid, time spent in military service during a period of national emergency shall be counted, not to exceed five (5) years prior to the current year. No more than five (5) years of such military service shall be used in determining eligibility or benefits under the Teachers' Retirement System.

70 O.S. § 17-114. Teachers' Retirement System Classified Employees

All full-time employees of the Teachers' Retirement System of Oklahoma shall become classified employees of the Merit System of Personnel Administration of Oklahoma.

70 O.S. § 17-114.1. Repealed

Repealed by Laws 1981, c. 340, § 28, eff. July 1, 1981.

70 O.S. § 17-114.2. Teachers' Retirement System Unclassified Employees

The executive secretary, assistant executive secretary and secretary-treasurer of the system shall be unclassified positions. Twenty-two (22) full-time-equivalent employees of the system shall be unclassified administrative assistants.

70 O.S. § 17-115. Repealed

Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

70 O.S. § 17-116. Personnel Retiring Before August 2, 1969

Any member of the classified personnel eligible for retirement under this act who has taught in Oklahoma schools for at least twenty (20) years and who retires before August 2, 1969, shall be paid not less than One Hundred and Twenty-five Dollars (\$125.00) per month.

70 O.S. § 17-116.1. Retirement Benefit Increase Effective July 1, 1986

A. Every annuitant receiving retirement benefits from the system as of June 30, 1986, shall receive, on July 1, 1986, a six percent (6%) increase in retirement benefits.

B. Any member who retires during the period beginning July 1, 1986, through October 1, 1986, shall receive a six percent (6%) increase in their monthly benefit as computed pursuant to the provisions of Sections 17-101 through 17-116 of this title and Section 17-116.2 of this title.

70 O.S. § 17-116.2. Contribution Rates and Benefits

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

A classified member who retired prior to July 1, 1986, shall have his retirement allowance calculated on a minimum average salary of Eleven Thousand Five Hundred Dollars (\$11,500.00) or on his current minimum average salary plus Two Thousand Dollars (\$2,000.00), whichever is greater. Beginning July 1, 1994, a classified member who retired prior to July 1, 1993, shall have the member's retirement allowance calculated on the member's current minimum average salary plus Five Hundred Fifty Dollars (\$550.00). An unclassified member who retired prior to July 1, 1986, shall have his retirement allowance calculated on a minimum average salary of Nine Thousand Five Hundred Dollars (\$9,500.00) or on his current minimum average salary plus One Thousand Dollars (\$1,000.00), whichever is greater. Beginning July 1, 1994, an unclassified member who retired prior to July 1, 1993, shall have the member's retirement allowance calculated on the member's current minimum average salary plus Two Hundred Seventy-five Dollars (\$275.00). Those individuals receiving benefits pursuant to subsection (3) of Section 17-105 of this title whose benefits commenced prior to July 1, 1993, shall receive an increase in benefits of two and one-half percent (2 ½%). No retirement benefit payments shall be made retroactively.

Except for those members retiring because of a disability, the retirement allowance shall be subject to adjustment for those members retiring before normal retirement age in accordance with the actuarial equivalent factors adopted by the Board of Trustees.

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

a. if the member becomes a member after June 30, 1995, and was not eligible to become a member prior to July 1, 1995, in an amount equal to two percent (2%) of the member's average salary upon which member

contributions were made, multiplied by the number of the member's years of creditable service, or

b. if the member became a member or is eligible to become a member prior to July 1, 1995, and elected to have a maximum compensation level in excess of Twenty-five Thousand Dollars (\$25,000.00) pursuant to paragraph 1 of subsection C of this section or pursuant to subsection E of this section, or if the member's salary has never exceeded Twenty-five Thousand Dollars (\$25,000.00) prior to July 1, 1995, in an amount equal to:

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

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

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

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

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

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

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

2. Beginning July 1, 1996, through June 30, 1997, six and one-half percent (6 ½%) of the regular annual compensation of members, who are not employed by an entity or institution within The Oklahoma State System of Higher Education not in excess of Twenty-five Thousand Dollars (\$25,000.00) and beginning July 1, 1996, through June 30, 1997, six and

one-half percent (6 ½%) of the regular annual compensation of members, who are employed by an entity or institution within The Oklahoma State System of Higher Education, not in excess of Twenty-five Thousand Dollars (\$25,000.00);

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

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

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

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

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

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

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

D. For purposes of Section 17-101 et seq. of this title, regular annual compensation shall include:

1. Salary which accrues on a regular basis in proportion to the service performed, including payments for staff development;
2. Amounts that would otherwise qualify as salary under paragraph 1 of this subsection but are not received directly by the member pursuant to a 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.; and
3. 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.
4. Excluded from regular annual compensation are expense reimbursement payments, office, vehicle, housing or other maintenance allowances, the flexible benefit allowance provided pursuant to Section 26-105 of this title, payment for unused vacation and sick leave, any payment made for reason of termination or retirement not specifically provided for in paragraphs 1 through 3 of this subsection, maintenance or other nonmonetary compensation, 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, any benefit payments not made pursuant to a valid employment agreement, or any compensation not described in paragraphs 1 through 3 of this subsection.

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

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

F. 1. An individual who withdrew from the Teachers' Retirement System and whose salary was in excess of Seven Thousand Eight Hundred Dollars (\$7,800.00) and had elected to contribute only on Seven Thousand Eight Hundred Dollars (\$7,800.00) before his or her withdrawal shall contribute on the earning

ceiling as provided for in this section on his or her reentry into membership in the Teachers' Retirement System.

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

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

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

1. Deductions shall begin with the first payroll period of the school year. In determining the amount earnable by a member in a payroll period, the Board of Trustees shall consider the rate of annual compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deductions from compensation for any period less than a full period, and to facilitate the making of deductions, it may modify the deduction required of any member by such an amount as shall not exceed one-tenth of one percent (1/10 of 1%) of the annual compensation upon the basis of which such deduction is to be made. Prior to January 1, 1991, any active contributing member who joined the System subsequent to July 1, 1943, may pay the normal cost, which shall mean the single sum which would have been paid under existing statutes at the time the service was performed, plus interest, for years of teaching service in Oklahoma from the date of establishment of the System in 1943 to date of membership, in a lump sum, or in installments equal to establishing one (1) year of creditable service. Effective January 1, 1991, any active contributing member who joined the System subsequent to July 1, 1943, may pay the amount determined by the Board of Trustees pursuant to Section 17-116.8 of this title for years of teaching service in Oklahoma from the date of establishment of the System in 1943 to date of membership, in a lump sum, or in installments equal to establishing one (1) year of creditable service. For purposes of this option, teaching service in Oklahoma shall include the teaching of vocational agricultural courses within Oklahoma for the federal government. Years for which contributions are paid shall count as membership service under this plan. A member may receive credit for not more than five (5) years of teaching service rendered while in the Peace

Corps or in the public schools of a territory of the United States or the public schools, American Military Dependent Schools or state colleges or state universities outside this state by paying his or her contributions, plus interest, and membership fees to the retirement system, subject to the regulations of the Board of Trustees, providing he or she is not receiving and is not eligible to receive retirement credit or benefits from said service in any other public retirement system of this state, or any other state or territory of the United States subject to the following provisions:

- a. the member is required to have two (2) years of employed service teaching earned in Oklahoma for each year of Peace Corps, territorial, out-of-state, noncovered in-state or military membership credit granted.
- b. prior to January 1, 1991, the out-of-state or noncovered in-state payment shall be the normal cost, which means the single sum which would have been paid under existing law at the time the service was performed, plus interest, on the basis of what his or her annual salary would have been in Oklahoma or out of state, whichever is greater, had he or she been employed as a teacher. Effective January 1, 1991, the Peace Corps, territorial, out-of-state or noncovered in-state payment shall be the amount determined by the Board of Trustees pursuant to Section 17-116.8 of this title.

2. In addition to the deductions hereinabove provided for, any member who becomes a member of the Armed Forces of the United States of America during any period of national emergency, including World War II, the Korean conflict, the Vietnam conflict or others as may be determined by the Board of Trustees, or whose entrance into or training for the teaching profession was interrupted by his or her entrance into the Armed Forces, and who was or shall have become a member of the Teachers' Retirement System shall be granted the privilege of making up his or her five percent (5%) contributions as provided for in this section until January 1, 1991, for not to exceed five (5) years of service in the Armed Forces by electing to pay said contributions on the basis of the rate of pay in his or her contract as a teacher at the time his or her service in the Armed Forces commenced or in the case of a teacher who was not teaching prior to entering the Armed Forces, on the basis of the salary of the first year of teaching after being honorably discharged from the Armed Forces. Effective January 1, 1991, the member will receive such service upon payment of the amount determined by the Board of Trustees pursuant to Section 17-116.8 of this title. Such contributions shall be credited in the regular manner, and the period for which said contributions were paid shall be counted as creditable years of service and allocated to the period during which the military service was rendered, except that the period for which contributions were paid must have been continuous and shall be credited in the aggregate, regardless of fiscal year limitations. Notwithstanding any provision herein to the contrary, contributions, benefits and service credit with respect to qualified military service as defined by Section 414(u) of the Internal Revenue Code

of 1986, shall be provided in accordance with Section 414(u) of the Internal Revenue Code.

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

H. Effective July 1, 2004, the total creditable service of a member who retires or terminates employment and elects a vested benefit shall include not to exceed one hundred twenty (120) days of unused sick leave accumulated subsequent to August 1, 1959. Twenty (20) days of unused sick leave shall equal one (1) month for purposes of creditable service credit. If the member becomes a member or was eligible to become a member prior to July 1, 1995, the year of credit received in this section shall be treated as service earned prior to July 1, 1995. This subsection shall apply to members retiring or vesting on or after the effective date of this act and shall not be retroactive.

I. Any member who:

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

2. Became an employee of the Oklahoma Commission for Teacher Preparation on or subsequent to June 1, 2001, but prior to July 1, 2002, who was previously employed by a participating employer within the Teachers' Retirement System of Oklahoma, may elect to cancel any accumulated service credit accrued within the Oklahoma Public Employees Retirement System on or after June 1, 2001, but prior to July 1, 2002, by filing an election with the Oklahoma Public Employees Retirement System for the cancellation of such service credit. The election shall be irrevocable and shall require the Oklahoma Public Employees Retirement System to transfer all accumulated employer and employee contributions made on behalf of or by the person making such election to the Teachers' Retirement System for such period of time. The Teachers' Retirement System shall compute the employee contributions that would have been made to the System by such employee if the contributions had been computed pursuant to this section. In order to receive the full amount of creditable service for the period of time on or after June 1, 2001, but not later than June 30, 2002, the employee shall be required to pay any difference between the transferred employee contributions and the amount computed by the Teachers' Retirement System. The employee may make payment of any required

amount in the manner provided by and subject to the requirements of Section 17-116.8 of this title. After payment of all required employee contributions, the Teachers' Retirement System shall credit the period of time represented by the transferred employee contributions as creditable service within the meaning of Section 17-101 of this title. After the transfer of the employee contributions, the Oklahoma Public Employees Retirement System shall cancel any service credit previously accumulated for the period of time represented by such transferred employee contributions. Any person who makes the election provided for by this paragraph, and who continues employment with the Oklahoma Commission for Teacher Preparation on or after July 1, 2002, shall continue to accrue service credit in the Teachers' Retirement System of Oklahoma. The employer shall make employer contributions according to the requirements of Section 17-108.1 of this title and shall provide for the deduction of employee contributions as required by this section.

J. Any member who shall be absent from the teaching service because of election or appointment as a local, state or national education association officer shall be allowed to retain his or her membership in the Teachers' Retirement System upon payment of the contribution required of other members and employers of said members as provided for in this section and his or her service credits shall continue to be accumulated during such absence. Provided, however, any one such absence shall not exceed eight (8) continuous years. No member who has less than ten (10) years of contributory service on July 1, 1994, may make this election after June 30, 1994. Members contributing to the System on July 1, 1994, may continue to contribute under this subsection until they have completed eight (8) years allowed by this subsection. The member may file for retirement when otherwise eligible for retirement as provided by Section 17-105 of this title. Conditioned upon receiving a favorable determination letter or private letter ruling from the Internal Revenue Service, the eligible absence and participation continuation in the Teachers' Retirement System of Oklahoma pursuant to this subsection shall be increased to twelve (12) years. The Teachers' Retirement System of Oklahoma shall make any necessary efforts in obtaining an Internal Revenue Service determination letter or private letter ruling concerning such increase.

K. A member may receive credit for those years of service accumulated by the member while employed by an entity which is a participating employer in the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, or the Oklahoma Public Employees Retirement System, if the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system. A member also may receive credit for those years of service with the Department of Wildlife Conservation or with an employer that is a participating employer within one of the state retirement systems specifically referred to in this section when at the time of such service by the member the employer was not such a participating employer, if the member is not receiving or eligible to receive

retirement credit or benefits from said service in any other public retirement system. To receive the service credit provided in this subsection, the member shall pay the amount determined by the Board of Trustees pursuant to Section 17-116.8 of this title. For purposes of this subsection, creditable service transferred from the Oklahoma Public Employees Retirement System shall include service authorized under paragraph (f) of subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes as amended from time to time. Members who retire prior to July 1, 1993, shall have their monthly benefit adjusted to include all services accrued under paragraph (f) of subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes. Provided however, any adjustment of existing retirement benefits caused by reason of inclusion of such service authorized under paragraph (f) of subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes shall not affect any retirement benefit paid prior to July 1, 1993.

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

- a. the member is an active member of the Teachers' Retirement System of Oklahoma, and
- b. the member provides notice to the Oklahoma Public Employees Retirement System and the Teachers' Retirement System of Oklahoma of the member's election to transfer said service credit. The notice shall include a list of the years to be transferred, and
- c. the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system, notwithstanding the years of service sought to be transferred under this subsection.

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

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

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

- (1) for members who have accrued at least eight (8) years of credited service with the sending system, determine the present value of the member's earned benefits attributable to the years of service sought to be transferred, discounted according to the member's age at the time

of transfer and computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation, but shall not make any projections regarding future salary. For employees who have accrued at least eight (8) years of credited service, the sending system shall use the product of this calculation for purposes of determining the transfer fee to be paid by the employee under subparagraph c of this paragraph so long as it is greater than the product of the calculation in division (2) of this subparagraph, and

(2) determine the sum of the employee and employer contributions applicable to the years of service sought to be transferred plus interest consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation. For all non-vested members, and for members who have accrued at least eight (8) years of credited service, if the product of this calculation is greater than the product of the calculation in division (1) of this subparagraph, the sending system shall use the product of this calculation for purposes of determining the amount to be transferred by the sending system under subparagraph c of this paragraph and any transfer fee to be paid by the member under subparagraph d of this paragraph.

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

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

d. In order to receive the credit provided for in paragraph 1 of this subsection, if the cost of the actuarial value of the incremental benefit to

the receiving system is greater than the cost as calculated under subparagraph a of this paragraph for the same years of service to the sending system as established in subparagraphs a and b of this paragraph, the employee shall elect to:

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

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

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

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

5. Notwithstanding the requirements of subsection (5) of Section 917 of Title 74 of the Oklahoma Statutes, members electing to take advantage of the transfer authorized by this subsection who have withdrawn their contributions from the sending system shall remit to the sending system the amount of the accumulated contributions the member has withdrawn plus simple interest of ten percent (10%) per annum prior to making said election or the election shall be

deemed invalid and the transfer shall be canceled. If such an election is deemed invalid and the transfer is canceled, the accumulated contribution remitted to the sending system by the member who originally withdrew their contributions shall be returned to the member. The member's rights and obligations regarding any service credit reestablished in the sending system due to a failure to satisfy the requirements of this subsection shall be determined by the sending system in accordance with Section 901 et seq. of Title 74 of the Oklahoma Statutes.

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

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

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

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

O. Effective July 1, 1988, any member who is employed by the Governor, the State Senate, the House of Representatives or the Legislative Service Bureau shall be allowed to elect to retain membership in the Retirement System upon payment of the accrued and current member contributions and employer contributions as provided in subsection B of this section and Section 17-108.1 of this title. Such contributions may be paid on behalf of the member by the employing entity. Upon payment of such contributions, service credits shall continue to be accumulated during such employment. Accrued contributions shall be paid to the Retirement System by August 1, 1989. Current contributions shall be paid to the Retirement System by the tenth of the following month beginning with the month of July 1989.

P. Notwithstanding any requirements of this title to restrict the payment of service purchases, the Board of Trustees shall promulgate such rules as necessary

to allow active members of the System to make installment payments for the redeposit of withdrawn accounts or other payments due under the provisions of this title. The rules shall permit the member to amortize the balance due over a period not to exceed sixty (60) months, and shall include interest consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation. Further, the rules shall provide that all payments must be completed prior to the effective retirement date of the member.

Q. 1. A member of the Oklahoma Public Employees Retirement System who becomes a member of the Teachers' Retirement System of Oklahoma because the member has become employed by an entity or institution within The Oklahoma State System of Higher Education, State Board of Education, State Board of Career and Technology Education, Oklahoma Department of Career and Technology Education, Oklahoma School of Science and Mathematics, Oklahoma Center for the Advancement of Science and Technology, State Department of Rehabilitation Services, Oklahoma State Regents for Higher Education, Department of Corrections, State Department of Education, Oklahoma Board of Private Vocational Schools, Board of Regents of Oklahoma Colleges, Oklahoma Student Loan Authority, or the Teachers' Retirement System of Oklahoma, may elect to receive credit in the Teachers' Retirement System of Oklahoma for those years of service accumulated by the member in the Oklahoma Public Employees Retirement System pursuant to this subsection. A member shall be eligible to elect to receive credit for such years of service if:

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

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

2. For purposes of this subsection, the "sending system" shall mean the Oklahoma Public Employees Retirement System. The "receiving system" shall mean the Teachers' Retirement System of Oklahoma. Within thirty (30) days after notification of an intent to transfer is received by the sending system, the sending system shall, according to its own rules, send to the receiving system all employer and employee contributions made on behalf of the member which were made to the sending system plus an additional amount of earnings based on the actuarial assumed rate of the sending system. Upon receipt of these contributions by the receiving system, the receiving system shall give credit to the transferring member in an amount equal to the years of service accrued in the sending system.

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

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

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

70 O.S. § 17-116.2A. Elections for Maximum Compensation Level

A. Except as otherwise provided by this section, an active contributing member of the retirement system who performed membership service as an employee of a comprehensive university on or after July 1, 1995, but not later than June 30, 1996, may with respect to membership service performed between those dates, inclusive, elect to:

1. Retroactively impose a maximum compensation level of Thirty-two Thousand Five Hundred Dollars (\$32,500.00), if the member was subject to a maximum compensation level of Twenty-seven Thousand Five Hundred Dollars (\$27,500.00) for service performed on or after July 1, 1995, but not later than June 30, 1996; or

2. Retroactively impose a maximum compensation level of Forty-nine Thousand Dollars (\$49,000.00), if the member was subject to a maximum compensation level of Forty-four Thousand Dollars (\$44,000.00) for service performed on or after July 1, 1995, but not later than June 30, 1996.

B. Except as otherwise provided by this section, an active contributing member of the retirement system who performed membership service as an employee of an entity or institution within The Oklahoma State System of Higher Education, other than a comprehensive university, on or after July 1, 1995, but not later than June 30, 1996, may with respect to membership service performed between those dates, inclusive, elect to retroactively remove the maximum compensation level applicable to the member's compensation for any service performed during that time period.

C. A member electing a maximum compensation level or removing a maximum compensation level pursuant to subsection A or subsection B of this section shall

be required to pay to the retirement system the full amount of employer contributions and employee contributions applicable for the period of service based upon the elections authorized by this section, less the amount of employer contributions and employee contributions made or credited for that period, plus ten percent (10%) interest from the date such contributions would have been made until the payment is made to the retirement system. The interest charged pursuant to this subsection shall be compounded annually. A member may pay the amount prescribed by this subsection at any time prior to the date as of which the member files the written application for retirement with the retirement system. An entity or institution within The Oklahoma State System of Higher Education may make payment to the retirement system for any part or all of the amount required by this subsection for an employee of that entity or institution in order for retirement benefits to be computed at the applicable maximum compensation level for membership service performed on or after July 1, 1995, but not later than June 30, 1996. Any amount paid by an employer pursuant to this subsection shall be deemed to be picked up by the employer pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended.

D. If a member who elects a retroactive maximum compensation level or who elects to retroactively remove a maximum compensation level pursuant to subsection A or subsection B of this section fails to pay the amount required to receive credit for compensation earned on or after July 1, 1995, but not later than June 30, 1996, the member shall receive retirement benefits for this period of service based upon compensation upon which both the required employer and employee contributions were actually made.

E. For purposes of computing the retirement allowance of a member authorized to make the election authorized by subsection A or subsection B of this section, no member electing a retroactive maximum compensation level or retroactively removing a maximum compensation level pursuant to subsection A or subsection B of this section may receive retirement benefits for the period of service based upon compensation in excess of the amount of compensation upon which employer and employee contributions were actually paid unless full payment to the retirement system is made as required by subsection C of this section.

F. No provision contained in this section shall be considered or construed to require payment of any sum by an entity or institution within The Oklahoma State System of Higher Education of amounts owed to the retirement system by a member who makes an election authorized by subsection A or subsection B of this section.

G. A member eligible to make the election authorized by subsection A or subsection B of this section shall:

1. Make the election in writing, upon a form to be prescribed by the Board of Trustees; and
2. File the election with the Board of Trustees not later than December 31, 1996.

H. All elections authorized by the provisions of subsection A or subsection B of this section shall be permitted once, and only once, for each employee authorized to make the election. Any election made pursuant to the provisions of this section

shall be irrevocable and shall bind the employee, the employee's heirs, beneficiaries and other interested persons, with respect to the amount of compensation upon which contributions shall be made and the amount of retirement benefits resulting from the election so made. Any employee who is eligible to make an election pursuant to the provisions of this section, but who fails to do so, for whatever reason, shall forfeit any right or power by the employee to attempt to exercise the election at any later time. All elections made pursuant to this section shall be operative only for service performed and compensation received from an entity or institution within The Oklahoma State System of Higher Education and shall not have any effect with respect to compensation received from any other participating employer within the Teachers' Retirement System of Oklahoma.

70 O.S. § 17-116.2B. Amount of Retirement Benefits

Beginning July 1, 2004, a member who has any creditable service as an employee of an entity or institution within The Oklahoma State System of Higher Education on or after July 1, 1995, who retires on or after the member's normal retirement age or whose retirement is because of disability shall receive an annual allowance for life, payable monthly, as follows:

1. If the member becomes a member after June 30, 1995, and was not eligible to become a member prior to July 1, 1995, in an amount equal to two percent (2%) of the member's average salary upon which member contributions were made, multiplied by the number of the member's years of creditable service;
2. If the member became a member or is eligible to become a member prior to July 1, 1995, and elected to have a maximum compensation level in excess of Twenty-five Thousand Dollars (\$25,000.00) pursuant to paragraph 1 of subsection C of Section 17-116.2 of this title or pursuant to subsection E of Section 17-116.2 of this title, or if the member's salary never exceeded Twenty-five Thousand Dollars (\$25,000.00) prior to July 1, 1995, in an amount equal to:
 - a. two percent (2%) of the member's average salary upon which member contributions were made, not to exceed Forty Thousand Dollars (\$40,000.00), multiplied by the number of the member's years of creditable service authorized and performed prior to July 1, 1995, plus any years of prior service authorized under this title, plus
 - b. two percent (2%) of the average of the member's maximum compensation level upon which member contributions were made for those years between July 1, 1995, and June 30, 2007, in which the member's regular annual compensation meets or exceeds the maximum compensation level in effect for the member for the period July 1, 1995, through June 30, 2007, multiplied by the number of the member's years of creditable service for the period July 1, 1995, through June 30, 2007, in which the member's regular annual compensation meets or exceeds the maximum compensation in effect for the member for the period July 1, 1995, through June 30, 2007, plus

- c. two percent (2%) of the member's average salary upon which member contributions were made, multiplied by the number of the member's years of creditable service authorized and performed for an employer other than a comprehensive university or for service performed for an employer other than an entity or institution within The Oklahoma State System of Higher Education on or after July 1, 1995, but not later than June 30, 2007, plus
 - d. two percent (2%) of the member's average salary upon which member contributions were made, multiplied by the number of the member's years of creditable service in which contributions were made that did not meet or exceed the member's maximum compensation level in effect for the member for the period July 1, 1995, through June 30, 2007, and the number of the member's years of creditable service authorized and performed after June 30, 2007;
3. If the member became a member or is eligible to become a member prior to July 1, 1995, and was eligible to elect to have a maximum compensation level in excess of Twenty-five Thousand Dollars (\$25,000.00) and did not elect or elected not to have a maximum compensation level of Forty Thousand Dollars (\$40,000.00) pursuant to paragraph 1 of subsection C of Section 17-116.2 of this title or pursuant to subsection E of Section 17-116.2 of this title, in an amount equal to:
- a. two percent (2%) of the member's average salary upon which member contributions were made, not to exceed Twenty-five Thousand Dollars (\$25,000.00), multiplied by the number of the member's years of creditable service authorized and performed prior to July 1, 1995, plus any years of prior service authorized under this title, plus
 - b. two percent (2%) of the average of the member's maximum compensation level upon which member contributions were made for those years of service between July 1, 1995, and June 30, 2007, in which the member's regular annual compensation meets or exceeds the maximum compensation level in effect for the member for the period July 1, 1995, through June 30, 2007, multiplied by the number of the member's years of creditable service for the period July 1, 1995, through June 30, 2007, in which the member's regular annual compensation meets or exceeds the maximum compensation in effect for the member for the period July 1, 1995, through June 30, 2007, plus
 - c. two percent (2%) of the member's average salary upon which member contributions were made, multiplied by the number of the member's years of creditable service authorized and performed for an employer other than a comprehensive university or for service performed for an employer other than an entity or institution within The Oklahoma State System of Higher Education on or after July 1, 1995, but not later than June 30, 2007, plus
 - d. two percent (2%) of the member's average salary upon which member contributions were made, multiplied by the number of the

member's years of creditable service in which contributions were made that did not meet or exceed the member's maximum compensation level in effect for the member for the period July 1, 1995, through June 30, 2007, and the number of the member's years of creditable service authorized and performed after June 30, 2007;

4. Any member who retired on or after July 1, 1995, shall be eligible to have the benefits recalculated in accordance with the terms and provisions of paragraphs 2 and 3 of this section. In the event such calculation results in an increase in benefits, such benefits will be adjusted commencing January 1, 2005, and thereafter. No such recalculation shall be applied in a retroactive manner to result in any increase in benefits which have been paid between July 1, 1995, and December 31, 2004;
5. For purposes of this section, the term "average of the member's maximum compensation level" means an average of the annual salary on which the maximum contributions were made to the Teachers' Retirement System of Oklahoma for the period between July 1, 1995, and June 30, 2007. The average for each member will be applied in accordance with paragraph (15) of Section 17-101 of this title;
6. In the event there are insufficient number of years for the time period between July 1, 1995, and June 30, 2007, to reach the high three (3) or high consecutive five (5) years in accordance with paragraph (15) of Section 17-101 of this title, the member's maximum compensation level shall be determined by an average of the salary on which maximum contributions were made. In no case shall the member's maximum compensation level exceed the average salary as determined by paragraph (15) of Section 17-101 of this title.

70 O.S. § 17-116.2C. Definitions

A. As used in this section:

1. "Contribution deficit" means the amount of money computed for an eligible employee by multiplying the employee contribution rate in effect for any period of service performed on or after July 1, 1987, through June 30, 1995, multiplied by the amount of salary earned by the member in excess of the applicable maximum compensation level of the member for such period with interest at the rate of ten percent (10%) per year compounded annually; provided, that for the designated fiscal years prescribed by subparagraphs a and b of this paragraph, the contribution deficit payment shall be adjusted to:
 - a. fifty percent (50%) of the total amount of the computation otherwise prescribed by this paragraph for the fiscal year ending June 30, 2007,
 - b. seventy-five percent (75%) of the total amount of the computation otherwise prescribed by this paragraph for the fiscal year ending June 30, 2008, and

- c. one hundred percent (100%) of the total amount of the computation otherwise prescribed by this paragraph for the fiscal year ending June 30, 2009, and for each fiscal year thereafter;
2. "Eligible employee" means a member of the System who has not retired prior to the effective date of this act and who has performed service at any time prior to June 30, 1995, and who fulfills the requirements of this act with respect to inclusion of pre-cap removal years of service in a retirement benefit computation and:
- a. who has already reached a normal retirement age prior to the effective date of this act and has not retired prior to the effective date of this act,
 - b. who reaches a normal retirement age on or after the effective date of this act, and
 - c. who is employed by an institution within The Oklahoma State System of Higher Education that is not a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education;
3. "Maximum average salary amount", subject to the requirements of this paragraph related to the funding level for employer contribution rates, means:
- a. Sixty Thousand Dollars (\$60,000.00) regardless of any otherwise applicable maximum compensation level for the fiscal year ending June 30, 2007,
 - b. Eighty Thousand Dollars (\$80,000.00) regardless of any otherwise applicable maximum compensation level for the fiscal year ending June 30, 2008, and
 - c. the full amount of the average salary without any limitation for the fiscal year ending June 30, 2009, and or each fiscal year thereafter.

The maximum final average salary amount otherwise authorized pursuant to subparagraph b or subparagraph c of this paragraph shall be contingent upon the participating employer in whose employment the member is active upon the date the member retires receiving, for the fiscal year during which the member's retirement will begin, the amount of funds required pursuant to paragraph 8 of Section 17-108.1 of this title in order to allow the employer contribution rates prescribed by paragraphs 6, 7 and 8 of Section 17-108.1 of this title to be effective as law. If a member is employed by an employer that does not receive the funding required by paragraph 8 of Section 17-108.1 of this title for the fiscal year during which the member's retirement will begin, the member shall not be authorized to use the maximum final average salary otherwise authorized by this paragraph to compute retirement benefits. A member shall be required to have been employed by a participating employer for a period of at least twelve (12) months prior to retirement in order to compute a retirement benefit using the maximum final average salary authorized by this paragraph;

4. "Maximum compensation level" means either:
 - a. Twenty-five Thousand Dollars (\$25,000.00) if a member did not elect to make employee contributions on a higher salary amount for any pre-cap removal years of service, or
 - b. Forty Thousand Dollars (\$40,000.00) if a member did elect to make employee contributions upon actual salary not in excess of such amount for any pre-cap removal years of service;
5. "Pre-cap removal service" means any service performed by an active member prior to June 30, 1995; and
6. "System" means the Teachers' Retirement System of Oklahoma;

B. Unless otherwise expressly provided by this section, any definition contained in Section 17-101 of this title otherwise applicable to computation of benefits for retired members of the Teachers' Retirement System of Oklahoma shall have the same meaning for purposes of this section.

C. Effective July 1, 2006, any eligible member of the Teachers' Retirement System of Oklahoma, who, as of July 1, 2006, has already reached a normal retirement age or who on or after July 1, 2006, reaches a normal retirement age as defined by paragraph 24 of Section 17-101 of this title, shall be eligible to have a retirement benefit computed as provided by this section. If a member is eligible for the benefit computation authorized by this section, the average salary used to compute the retirement benefit of the member shall be governed by the provisions of this section and such provisions shall govern in the event of conflict between this section and the provisions of Section 17-116.2 of this title.

D. An eligible employee who performs service in the manner prescribed by subsection E of this section and who makes payment of the applicable contribution deficit amount may have a retirement benefit computed as otherwise authorized by Section 17-105 of this title, but shall have such benefit computed without regard to any maximum compensation level that would otherwise be applicable to the compensation of the member for any period of pre-cap removal service.

E. In order to have retirement benefits computed as authorized by subsection C of this section, and in addition to the payment of the contribution deficit amount required by this section, in order to have any pre-cap removal service included in the retirement benefit computation of the member using the average salary earned during such period of participating service subject to the maximum average salary amount, the member shall be required to perform one (1) year of participating service on or after the date as of which the member reaches a normal retirement age, for each two (2) years of service performed prior to July 1, 1995. For purposes of this section, any year of service performed prior to the effective date of this act after a member reached a normal retirement age shall qualify for purposes of the retirement benefit computation authorized by this section.

F. One (1) year of participating service performed by an eligible member who, prior to the effective date of this act has reached a normal retirement age or, who on or after July 1, 2006, reaches a normal retirement age, shall result in the inclusion of the two (2) years of participating service immediately preceding July 1, 1995, in a retirement benefit computation using the average salary of the member, subject

to the maximum average salary amount. For each additional year of participating service performed by the eligible member thereafter, whether such service has been performed prior to the effective date of this act or whether such service is performed on or after the effective date of this act, the two (2) next succeeding years of pre-cap removal service performed prior to the end of the preceding two-year period may be included in the benefit computation without regard to the maximum compensation level of the member that would otherwise be applicable to such pre-cap removal service.

G. The eligible member shall be required to make payment to the Teachers' Retirement System of Oklahoma of the contribution deficit amount for any year of service performed on or after July 1, 1987, but not later than June 30, 1995, as prescribed by subsections H through K of this section in order to have any years of pre-cap removal service included in the retirement benefit computation using the average salary of the member subject to the maximum average salary amount.

H. In order to have years of service included in the benefit computation using average salary subject to the maximum average salary amount, the member shall be required to make payment of the contribution deficit for the following years of service and in the sequence prescribed by subsection I of this section according to the adjustments required by subparagraphs a and b of paragraph 1 of subsection A of this section:

1. July 1, 1987, through June 30, 1988;
2. July 1, 1988, through June 30, 1989;
3. July 1, 1989, through June 30, 1990;
4. July 1, 1990, through June 30, 1991;
5. July 1, 1991, through June 30, 1992;
6. July 1, 1992, through June 30, 1993;
7. July 1, 1993, through June 30, 1994; and
8. July 1, 1994, through June 30, 1995.

I. For each year of service performed by the eligible member prior to the effective date of this act and after having reached a normal retirement age, or for each year of service performed by the member after reaching a normal retirement age on or after the effective date of this act, the member shall be required to make payment of the contribution deficit amount for each year of service beginning with the years described in paragraphs 7 and 8 of subsection H of this section. For each additional year of service performed by the eligible member after the normal retirement age of the member, the member shall make payment of the contribution deficit amount for each of the next two (2) years of service as described in:

1. Paragraphs 5 and 6 of subsection H of this section;
2. Paragraphs 3 and 4 of subsection H of this section; and
3. Paragraphs 1 and 2 of subsection H of this section.

J. After making payment of all required contribution deficit amounts for all periods of service described in paragraphs 1 through 8 of subsection H of this section, an eligible member who has performed any additional years of service after having reached a normal retirement age, or for each year of service performed by the member after reaching a normal retirement age on or after the effective date

of this act, the member may then include any additional two-year period of service performed prior to July 1, 1987, using the average salary of the member, subject to the maximum average salary amount, in the retirement benefit computation for such years of service by performing one (1) additional year of service.

K. No contribution deficit payments shall be required of the eligible member with respect to years of service performed prior to July 1, 1987, if such years of service are included in the retirement benefit computation of the member using average salary as otherwise authorized by this section, subject to the maximum average salary amount.

L. An eligible member may make the payment of the contribution deficit amount required by this section at any time prior to the retirement of the member from the System; however, no years of pre-cap removal service for which full payment of the required contribution deficit has not been made pursuant to the requirements of this section may be included in the retirement benefit computation of the otherwise eligible member using the average salary of the member for such period, subject to the maximum average salary amount.

M. Any pre-cap removal years of service for which the required contribution deficit payment has not been made to the System shall only be included in a retirement benefit computation using the maximum compensation level in effect for the member at the time such years of service were performed.

N. All payments to the System for pre-cap removal service shall be made prior to the date as of which a member retires. No payments to the System for pre-cap removal service otherwise authorized by this section shall be made after a member retires from the System and begins to receive benefits.

O. Any eligible member who, prior to the effective date of this act, has not previously made an election for payment of employee contributions on a maximum compensation level of Twenty-five Thousand Dollars (\$25,000.00) for pre-cap removal service may file an election with the System to make payment of the required contribution deficit amount pursuant to this section. Such an election shall be irrevocable.

P. No participating employer of the System shall make payment of any required contribution deficit amount on behalf of any otherwise eligible member, whether directly or indirectly, in order for the member to have retirement benefits computed according to the provisions of this section.

Q. No member of the System who has retired prior to July 1, 2006, shall be eligible to make any payments of the contribution deficit amount and no such member shall have the ability to have a retirement benefit recomputed as a result of the provisions of this section.

R. The additional retirement benefit attributable to the provisions of this section may be computed for members who retire on or after July 1, 2006, but prior to January 1, 2007, but the additional retirement benefit attributable to the provisions of this section shall not be payable until January 1, 2007. On and after January 1, 2007, the additional retirement benefit attributable to the provisions of this section shall be added to the retirement benefit amount of any member who retires on or after July 1, 2006, and prior to January 1, 2007, and such increased benefit amount

shall be payable to the member or any beneficiary of the member as otherwise provided pursuant to the provisions of Section 17-101 of this title in the same manner as other retirement benefits are payable.

70 O.S. § 17-116.3. Repealed

Repealed by Laws 1979, c. 286, § 6, eff. July 1, 1979.

70 O.S. § 17-116.4. Repealed

Repealed by Laws 1979, c. 286, § 6, eff. July 1, 1979.

70 O.S. § 17-116.5. Repealed

Repealed by Laws 1982, c. 329, § 9, eff. July 1, 1982.

70 O.S. § 17-116.6. Teachers' Retirement Reserve Fund

There is hereby created in the State Treasury a special fund which shall be designated the "Teachers' Retirement Reserve Fund". Said fund shall consist of such monies as the Legislature may transfer to such fund. The monies in said fund shall only be used to support or benefit public pension programs and shall be paid out pursuant to direction of the Legislature.

70 O.S. § 17-116.7. Review of Contracts, Audits, Annual Report

A. After the effective date of this act, before entering into any type of contract that creates an unfunded liability and is for the purpose of enhancing pension benefits for employees beyond the provisions of the Teachers' Retirement System of Oklahoma, a state institution of higher education, technology center school district, or public school district, unless otherwise provided by law, shall forward to the Office of the Attorney General a copy of the contract and a copy of an actuarial report indicating the amount of unfunded liability that would be created pursuant to the contract. The Attorney General shall review the contract to ensure that the contract conforms to state law. No such contract shall be signed by the education entity until the Attorney General approves the contract. Any such contract entered into without complying with the requirements of this section shall be void.

B. In order to make the Legislature and Governor more aware of the effect of unfunded pension benefits and other post-employment benefits on state finances, annual audits conducted pursuant to law on state institutions of higher education, technology center school districts, and school districts shall be prepared in accordance with appropriate accounting standards pertaining to unfunded pension benefits and other post-employment benefits. The State Regents for Higher Education, the State Board of Career and Technology Education and the State Board of Education, jointly, shall have the information pertaining to benefits compiled into an annual report that shall be distributed to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate.

70 O.S. § 17-116.8. Adoption of Rules for Computation of Purchase Price for Service Credit; Inability to Pay

A. The Board of Trustees shall adopt rules for computation of the purchase price for service credit. These rules shall base the purchase price for each year purchased on the actuarial cost of the incremental projected benefits to be purchased. The purchase price shall represent the present value of the incremental projected benefits discounted according to the member's age at the time of purchase. Incremental projected benefits shall be the difference between the projected benefit said member would receive without purchasing the service credit and the projected benefit after purchase of the service credit computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation.

B. In the event that the member is unable to pay the purchase price provided for in this section by the due date, the Board of Trustees shall permit the members to amortize the purchase price over a period not to exceed sixty (60) months. Said payments shall be made by payroll deductions unless the Board of Trustees permits an alternate payment source. The amortization shall include interest in an amount not to exceed the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings each year. Any member who ceases to make payment, terminates, retires or dies before completing the payments provided for in this section shall receive prorated service credit for only those payments made, unless the unpaid balance is paid by said member, his or her estate or successor in interest within six (6) months after said member's death, termination of employment or retirement, provided no retirement benefits shall be payable until the unpaid balance is paid, unless said member or beneficiary affirmatively waives the additional six-month period in which to pay the unpaid balance. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this subsection.

70 O.S. § 17-116.9. Credit for Certain Teaching Service and Requirement to Contribute

Any member of the Teachers' Retirement System of Oklahoma, who taught kindergarten on public school property prior to the state-supported kindergarten, and who subsequently taught in the public schools and has met the necessary qualifications, may receive credit in the System for such teaching service by, prior to January 1, 1991, making back contributions of ten percent (10%) of salary plus ten percent (10%) interest to the System as required by the Board of Trustees. Effective January 1, 1991, to receive the credit in the System for such teaching service, the member shall pay the amount determined by the Board of Trustees pursuant to Section 30 of this act.

70 O.S. § 17-116.10. Post-Retirement Employment

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 post-retirement 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 pre-retirement public-education employment and any post-retirement public-education employment. For purposes of this section, the term "last day of pre-retirement 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. 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 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 personnel shall be the lesser of Fifteen Thousand Dollars (\$15,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits unless the earnings limitation allowed by the Social Security Administration would be greater than Fifteen Thousand Dollars (\$15,000.00). 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 Thirty Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits. For purposes of this paragraph, the following shall apply:

a. earnings shall mean "regular annual compensation" as defined in paragraph (25) 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 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,

- c. 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. 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 post-retirement employment was performed of One Dollar (\$1.00) for each One Dollar (\$1.00) earned over the maximum allowed earnings amount,
 - e. 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 not to exceed Thirty Thousand Dollars (\$30,000.00); and
4. A member shall be considered to be employed by a school district to perform the duties ordinarily performed by classified or nonclassified 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 of this title.
- C. For purposes of this section, post-retirement employment of less than one thousand (1,000) hours per year with the Governor, the State Senate, the House of Representatives or the Legislative Service Bureau shall not be considered as post-retirement 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 post-retirement 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 monthly retirement benefit.

70 O.S. § 17-116.11. Repealed

Repealed by Laws 1998, c. 256, § 11, eff. July 1, 1998

70 O.S. § 17-116.12. Reduction-in-Force

A. A member of the Teachers' Retirement System of Oklahoma who has ten (10) or more years of full-time-equivalent employment with a participating employer, and who is terminated by a state agency or other state governmental entity because the member's position is eliminated through a reduction-in-force after July 1, 1998, and is within three (3) years of retirement as prescribed in Section 17-105 of Title 70 of the Oklahoma Statutes, may purchase termination credit of a period not to exceed the lesser of three (3) years or the number of years or months, or both, years and months required in order for the member to reach normal retirement date in the same period of time and with the same service credit which would have otherwise accrued if the termination had not occurred.

B. In order to receive the termination credit authorized by this section, the member shall be required to make an election with the System indicating an intent to purchase the credit. The member shall have a period of six (6) months from the date the member is terminated as described in subsection A of this section within which to file the election.

C. To purchase the termination credit, the member shall be required to make payment to the System of an amount equal to both the employer and employee contributions which would have been paid to the System based upon the maximum compensation level as defined in subsection (28) of Section 17-101 of Title 70 of the Oklahoma Statutes, which was received by the member in the last full month that the member was employed by the state agency or other state governmental entity multiplied by the number of months required in order for the combination of the participating service and member's age, to equal the amount required for the member to reach normal retirement date with an unreduced benefit as if the member had not been terminated.

D. The member must make full payment to the System of all required contribution amounts within sixty (60) days of filing the election to purchase the credit. The member must vest his or her benefits with a declared future retirement date as of the first month the member is eligible for normal retirement. Failure to make the full payment to the System of the, required contribution amounts, for any reason, within the time prescribed, shall result in cancellation of the election provided pursuant to this section, and return of the purchase amount tendered, without interest.

E. Purchased termination credit may only be used as service credit to qualify the member for normal retirement.

F. If the member chooses to retire at any time prior to the member's normal retirement date or returns to employment with a participating employer of the System at any time prior to retirement, the purchase of termination credit pursuant

to this section shall be void, and the System will return the purchase amount tendered, without interest.

G. In the event of the death of the member prior to retirement, the member's spouse, if otherwise eligible for benefits pursuant to Section 17-105 of Title 70 of the Oklahoma Statutes, may elect to receive benefits which include the termination credit on the member's declared future retirement date, or may elect to receive a return of the purchase amount tendered, without interest.

70 O.S. § 17-116.13. Retirement Allowance Calculation

A. Beginning July 1, 1998, a classified member who retired prior to July 1, 1997, shall have the member's retirement allowance calculated on the member's current average salary plus One Thousand Four Hundred Dollars (1,400.00).

B. Beginning July 1, 1998, a nonclassified member who retired prior to July 1, 1997, shall have the member's retirement allowance calculated on the member's current average salary plus Seven Hundred Dollars (\$700.00).

C. Beginning July 1, 1998, those individuals receiving benefits pursuant to subsection (3) of Section 17-105 of this title whose benefits commenced prior to July 1, 1997, shall receive an increase in benefits of five and four-tenths percent (5.4%).

70 O.S. § 17-116.14. Repealed

Repealed Laws 1999, H.B. 1574 c. 254. § 11, eff. June 30, 1999

70 O.S. § 17-116.15. George Nigh Rehabilitation Institute

A. An employee transferred pursuant to the provisions of Section 3 of this act may elect to become a member of the Teacher's Retirement System of Oklahoma pursuant to the election authorized by subsection A of Section 3 of this act. If the employee makes an election to become a member of the Teachers' Retirement System of Oklahoma, the employee may acquire service credit in the Teachers' Retirement System pursuant to the provisions of Section 17-116.2 of Title 70 of the Oklahoma Statutes.

B. On and after the date that an employee makes an election to become a member of the Teachers' Retirement System pursuant to subsection A of Section 3 of this act, the employer to which the employee is transferred shall make required contributions pursuant to Section 17-108.1 of Title 70 of the Oklahoma Statutes and the employee shall make required contributions imposed pursuant to Section 17-116.2 of Title 70 of the Oklahoma Statutes.

C. On and after the date that an employee files the election to become a member of the Teachers' Retirement System, the employer to which the employee is transferred and the employee making the election shall be subject to all requirements of the provisions of Sections 17-101 et. seq. of Title 70 of the Oklahoma Statutes governing the Teachers' Retirement System of Oklahoma.

70 O.S. § 17-116.16. Prior Adjunct Position.

Effective July 1, 2000, a member of the Teachers' Retirement System of Oklahoma who was employed in an adjunct position in an institution under The

Oklahoma State System of Higher Education prior to becoming a member of the System, may purchase a maximum of five (5) years of credit for such employment, pursuant to this section. One (1) year of service credit may be purchased for any school year in which the member worked eighteen (18) credit hours or more in such an adjunct position. The purchase of service credit shall be made pursuant to Section 17-116.8 of Title 70 of the Oklahoma Statutes and shall be considered contributing service for purposes of vesting and retirement. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this section.

70 O.S. § 17-116.17. Benefit Increases (1999)

- A. Beginning July 1, 2000, a classified member who retired prior to July 1, 1999, who continues to receive benefits on or after July 1, 2000, shall have the member's retirement allowance calculated on the member's current average salary plus Five Hundred Dollars (\$500.00).
- B. Beginning July 1, 2000, a nonclassified member who retired prior to July 1, 1999, who continues to receive benefits on or after July 1, 2000, shall have the member's retirement allowance calculated on the member's current average salary plus Two Hundred Fifty Dollars (\$250.00).
- C. Beginning July 1, 2000, those individuals receiving benefits pursuant to subsection (3) of Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits commenced prior to July 1, 1999, shall receive an increase in benefits of one and eight-tenths percent (1.8%).

70 O.S. § 17-116.18. Benefit Increases (2002)

- A. Any person receiving retirement benefits from the Teachers' Retirement System of Oklahoma as of June 30, 2001, who continues to receive benefits on or after July 1, 2002, shall, beginning in July 2002, receive an increase in retirement benefits equal to three percent (3%).
- B. Such persons who are otherwise eligible for the benefit increase in subsection A of this section, who retired from the system with thirty (30) years of credited service, shall receive, in lieu of the benefit increase in subsection A of this section, an increase in retirement benefits equal to four percent (4%) beginning in July 2002.

70 O.S. § 17-116.19. Benefit Increases (2004)

- A. Beginning July 1, 2004, any person receiving benefits from the Teacher's Retirement System of Oklahoma as of June 30, 2003, who continues to receive benefits on or after July 1, 2004, shall receive a percentage increase in said benefits on July 1, 2004, as follows:

Years of Service of the Retired Member	Monthly Benefit as of June 30, 2004	Benefit Increase
20 years or more	Less than \$1,500.00	4.5%
	\$1,500.00 to \$2,500.00	4.0%
	Over \$2,500.00	3.5%

15 to 19 years	Less than \$1,000.00	4.0%
	\$1,000.00 to \$2,000.00	3.5%
	Greater than \$2,000.00	3.0%
Less than 15 years	Less than \$801.00	3.5%
	\$801.00 to \$1,499.99	3.0%
	\$1,500.00 or greater	2.5%

B. Beginning in July 2004, those individuals receiving benefits pursuant to subsection (3) of Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits commenced prior to July 1, 2003, shall receive an increase in benefits of four percent (4%).

70 O.S. § 17-116.20. Benefit Increases (2006)

A. Any person receiving benefits from the Teachers' Retirement System of Oklahoma as of June 30, 2005, other than those benefits specified in subsection B of this section, who continues to receive benefits on or after July 1, 2006, shall receive a two-percent increase in said benefits beginning in July 2006.

B. Any person receiving benefits pursuant to subsection (3) of Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits commenced prior to July 1, 2005, and who continues to receive benefits on or after July 1, 2006, shall receive a two-percent increase in said benefits beginning in July 2006.

70 O.S. § 17-117. Repealed

Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980

70 O.S. § 17-118. Repealed

Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

70 O.S. § 17-119. Repealed

Repealed by Laws 1989, c. 154, § 2, operative July 1, 1989.

70 O.S. § 17-120. Deposit of Contributions

The employer of each member shall deposit within ten (10) days of the last day of each calendar month all employer and employee contributions of each member due the Retirement System for payroll periods ending during the calendar month. Employer and employee contribution amounts not paid to the Retirement System after thirty (30) days from the end of the payroll month shall be subject to a monthly late charge of one and one-half percent (1 ½%) of the unpaid balance to be paid by the employer to the Retirement System.

70 O.S. § 17-121. Oklahoma Teachers' Deferred Savings Incentive Plan

A. Effective July 1, 1999, for each active contributing member of the Teachers' Retirement System of Oklahoma, who is making contributions of at least Twenty-five Dollars (\$25.00) per month to a plan account maintained by the Teachers'

Retirement System of Oklahoma pursuant to Section 403(b) of Title 26 of the United States Code, 26 U.S.C. Section 403(b), the Teachers' Retirement System shall pay each month from funds appropriated to the Oklahoma Teachers' Deferred Savings Incentive Plan Fund created pursuant to this section the sum of Twenty-five Dollars (\$25.00) to a plan established pursuant to the Internal Revenue Code, Section 401(a), for the benefit of the participant.

B If monies in the Oklahoma Teachers' Deferred Savings Incentive Plan Fund are insufficient to fully fund the contributions in any month, payments shall be suspended until such time as sufficient monies are available.

C. The Teachers' Retirement System shall be responsible for establishing rules and plan documents for administration of the contributions authorized by this section. Funds so credited shall be held and invested in the same manner as funds managed in accounts of members contributing to an account established pursuant to Section 403(b) of the Internal Revenue Code of 1986, as amended.

D. There is hereby created in the State Treasury a revolving fund to be designated the "Oklahoma Teachers' Deferred Savings Incentive Plan Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies the Legislature may appropriate or transfer to the fund and any monies contributed for the fund from any other sources, public or private. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Teachers' Retirement System of Oklahoma for the matching of deferred compensation contributions pursuant to this section and in accordance with rules promulgated by the Teachers' Retirement System of Oklahoma. Expenditures from the fund shall be made by warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

70 O.S. § 17-122. Retired Teacher Organizations

When a member of the Teachers' Retirement System of Oklahoma makes an application to retire, the System shall provide to such member an application to participate in a retired teachers' organization along with a form allowing the member to elect to have annual membership dues in a retired teachers' organization prorated and authorizing the System to withhold such dues monthly from the member's retirement benefits. Any retired teachers' organization which wants to participate, pursuant to this section, or to participate in a general mailing to all retired educators, with the approval of the Board of Trustees of the Teachers' Retirement System, shall provide to the System and pay for the cost, including postage costs if required by the Teachers' Retirement System, of printed materials and of the applications to be a member of the organization and the forms authorizing the System to withhold membership dues of the organization. The Board of Trustees shall approve the format and content of the authorization to make sure it complies with all relevant legal requirements. The System shall not be held responsible or liable for not providing the application to be a member of a participating retired teachers' organization or the authorization form if such organization does not timely provide to the System such materials and applications and approved authorization forms

in sufficient quantities to meet the retirement application demands of the retiring members.

70 O.S. § 17-122.1. Retired Teachers' Organization Membership Numbers

To qualify as a retired teachers' organization pursuant to Section 1 of this act, the organization must have at least one thousand dues-paying members.

Alternate Retirement Plan for Comprehensive Universities Act

70 O.S. § 17-201. Alternate Retirement Plan for Comprehensive Universities Act

Sections 1 through 8 of this act shall be known and may be cited as the "Alternate Retirement Plan for Comprehensive Universities Act".

70 O.S. § 17-202. Definitions

The following words and phrases as used in this act shall have the following meanings unless a different meaning is clearly required by the context:

1. "Participating institution" means only the entities that comprise a comprehensive university pursuant to Section 17-101 of Title 70 of the Oklahoma Statutes and which:
 - a. maintain an alternate retirement plan pursuant to the provisions of this act, and
 - b. employ eligible employees;
2. "Alternate retirement plan" means any employee retirement plan that is created solely to provide benefits for eligible employees and electing employees, as defined in this section, for periods of service on or after July 1, 2004. Such retirement plan shall be a plan meeting the requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, operated pursuant to the provisions of this act;
3. "Board of regents" means the board or body designated by the Oklahoma Constitution or by Title 70 of the Oklahoma Statutes as the board of regents or governing board of a comprehensive university that is a participating institution;
4. "Eligible employee" means any employee of a participating institution who (a) was initially appointed or hired after June 30, 2004, and (b) meets the eligibility requirements of the alternate retirement plan of the participating institution that employs the eligible employee. However, the term "eligible employee" does not include a person whose employment is incidental to his or her educational program or whose employment is not continuous. Such eligible employees shall be eligible to participate in the alternate retirement plan if they make a one-time irrevocable written election pursuant to this act;
5. "Electing employee" means an employee of a participating institution hired prior to July 1, 2004, who is a member of the Teachers' Retirement System of Oklahoma and who makes a one-time irrevocable written election

pursuant to this act to cease to make employee contributions to the Teachers' Retirement System of Oklahoma and to participate in an alternate retirement plan established by such employee's participating institution pursuant to this act; and

6. "One-time irrevocable written election" means a one-time election made pursuant to this act by an eligible employee or electing employee that shall be in writing and irrevocable and shall cover all future service with a participating institution regardless of a break in service.

70 O.S. § 17-203. Authorization

Alternate retirement plans for eligible employees and electing employees are hereby authorized at participating institutions in lieu of the retirement plan offered by the Teachers' Retirement System of Oklahoma. Alternate retirement plans, shall, for eligible employees and electing employees, provide retirement and death benefits to such employees through the purchase of annuity contracts, qualified retirement trusts or custodial accounts, fixed or variable in nature, or a combination thereof, at the option of the participating institution.

70 O.S. § 17-204. Establishing an Alternate Retirement Plan

A. On or before June 30, 2005, the Board of Regents of a participating institution may establish an alternate retirement plan pursuant to the provisions of this act, for the entities under the jurisdiction of such Board of Regents, for eligible employees and electing employees in lieu of membership in the Teachers' Retirement System of Oklahoma. The Board of Regents of the applicable participating institution shall determine the terms and conditions of the alternate retirement plan including, by example, terms for eligibility, contributions, vesting and the amount of benefits, and provide for the administration of such an alternate retirement plan and perform or authorize the performance of such functions as may be necessary for such purpose in accordance with this act.

B. The Board of Regents shall select the company or companies that shall administer the qualified retirement trust, custodial accounts or from which annuity contracts are to be purchased under the alternate retirement plan and shall approve the form and content of all agreements governing such trusts, accounts or contracts.

C. The Board of Regents of the participating institutions may delegate certain responsibilities for administering the alternate retirement plan with respect to each institution's own employees.

70 O.S. § 17-205. Funding

Each Board of Regents which establishes an alternate retirement plan shall designate one or more companies to provide for the funding of alternate retirement plan benefits through the purchase of annuity contracts, qualified retirement trusts or custodial accounts.

70 O.S. § 17-206. Participation Election

A. An eligible employee shall have ninety (90) days from such eligible employee's initial date of hire or the date the alternate retirement plan is adopted by the participating institution, whichever is later, to make a one-time irrevocable written election to participate in the alternate retirement plan or the Teachers' Retirement System of Oklahoma. If an eligible employee fails to make an election within the ninety-day period such eligible employee shall participate in the Teachers' Retirement System of Oklahoma. If an eligible employee makes the election to participate in the alternate retirement plan such eligible employee shall not participate in the Teachers' Retirement System of Oklahoma nor make employee contributions to the Teachers' Retirement System of Oklahoma and the participating institution shall not make employer contributions to the Teachers' Retirement System of Oklahoma except as otherwise required by this act. If an eligible employee elects to participate in the Teachers' Retirement System of Oklahoma, then the eligible employee shall make employee contributions to the Teachers' Retirement System of Oklahoma and the participating institution shall pay the employer contributions of such eligible employee to the Teachers' Retirement System of Oklahoma for the month that the eligible employee was hired through the month that the election is made and as long as the eligible employee participates in the Teachers' Retirement System of Oklahoma.

B. An eligible employee who elects to participate in the alternate retirement plan shall be ineligible for participation in the Teachers' Retirement System of Oklahoma. Ineligibility to participate in the Teachers' Retirement System of Oklahoma shall continue so long as such eligible employee remains employed by a participating institution. If such eligible employee assumes a different position, which is governed by a state retirement system other than the alternate retirement plan authorized in this act, the eligible employee shall be subject to the retirement system rules applicable to that new position. However, such eligible employee shall not be eligible for service credit in the Teachers' Retirement System of Oklahoma for service performed while participating in an alternate retirement plan.

C. An electing employee who desires to cease to participate in the Teachers' Retirement System of Oklahoma shall make a one-time irrevocable written election to cease making employee contributions to the Teachers' Retirement System of Oklahoma and participate in the alternate retirement plan. Such election shall be made within one (1) year following the adoption of the alternate retirement plan or receipt of official written notice that the provisions of this act satisfy the applicable requirements of the Internal Revenue Code of 1986, as amended from time to time, whichever is later. If the electing employee makes the election pursuant to this subsection, then the participating institution shall notify the Teachers' Retirement System of Oklahoma of such election within thirty (30) days of receipt of the election. Upon the election to cease membership in the Teachers' Retirement System of Oklahoma, employer and employee contributions shall cease as of the first day of the month coinciding with or first following the receipt of the election from the electing employee by the participating institution.

D. Subject to receipt of official written notice that the provisions of this act satisfy the applicable requirements of the Internal Revenue Code of 1986, as amended from time to time, as provided in subsection C of this section, if the electing employee is not vested with the Teachers' Retirement System of Oklahoma at the time the election is made, the Teachers' Retirement System of Oklahoma shall transfer all of the electing employee's employee contributions (but not employer contributions) at the time of such election, and attributable interest, pursuant to Section 17-105 of Title 70 of the Oklahoma Statutes, to the alternate retirement plan in an amount equal to what the electing employee would have received had the electing employee withdrawn his or her contributions at the date of such election. A transfer of employee contributions and interest pursuant to this subsection shall only be made upon receipt of official written notice that such transfer satisfies the applicable requirements of the Internal Revenue Code of 1986, as amended from time to time. Upon transfer of such employee contributions and interest to the alternate retirement plan, the electing employee shall have all service credit, rights, and benefits in the Teachers' Retirement System of Oklahoma canceled. In the event the Internal Revenue Service does not approve the transfer of contributions and interest to the alternate retirement plan as provided in this subsection, such employee contributions and interest shall be refunded to such electing employee upon termination, retirement, death or disability pursuant to Section 17-101 et seq. of Title 70 of the Oklahoma Statutes and the rules of the Teachers' Retirement System of Oklahoma.

E. In the event an electing employee is vested with the Teachers' Retirement System of Oklahoma on the date that the election is made, such individual shall have the option to either (a) leave all of his or her employee contributions in the Teachers' Retirement System of Oklahoma, or (b) transfer all of the electing employee's employee contributions (but not employer contributions) at the time of such election, and attributable interest, pursuant to Section 17-105 of Title 70 of the Oklahoma Statutes, to the alternate retirement plan in an amount equal to what the electing employee would have received had the electing employee withdrawn his or her contributions at the date of such election. A transfer of employee contributions and interest pursuant to this subsection shall only be made upon receipt of official written notice that such transfer satisfies the applicable requirements of the Internal Revenue Code of 1986, as amended from time to time. Upon transfer of such employee contributions and interest to the alternate retirement plan, all of the electing employee's service credit, rights, and benefits in the Teachers' Retirement System of Oklahoma shall be canceled. However, such electing employee who leaves all of his or her employee contributions in the Teachers' Retirement System of Oklahoma shall not be eligible to retire from the Teachers' Retirement System of Oklahoma while employed by a participating institution. In the event the Internal Revenue Service does not approve the transfer of contributions and interest to the alternate retirement plan as provided in this subsection, such employee contributions and interest shall be refunded to such electing employee upon termination, retirement, death or disability pursuant to

Section 17-101 et seq. of Title 70 of the Oklahoma Statutes and the rules of the Teachers' Retirement System of Oklahoma.

F. An electing employee shall not be eligible to obtain service credit in the Teachers' Retirement System of Oklahoma for service performed while participating in an alternate retirement plan as provided in this act, on or after July 1, 2004, even if the employee later returns to employment in a position governed by the Teachers' Retirement System of Oklahoma. The Boards of Regents of the participating institutions and the Teachers' Retirement System of Oklahoma shall promulgate any rules necessary to implement the provisions of this section.

70 O.S. § 17-207. Funding Surcharge

A. Participating institutions establishing an alternate retirement plan pursuant to this act shall pay an initial funding surcharge, and if applicable an additional funding surcharge to the Teachers' Retirement System of Oklahoma in an amount to amortize the unfunded accrued liability of the members of the participating institutions in the System.

B. The initial funding surcharge is intended to ensure amortization of the unfunded accrued liability of the participating institutions over a period of thirty (30) years or the amortization period of the System. The initial funding surcharge shall equal two and one-half percent (2.5%) of the regular annual compensation of the electing employees and the eligible employees, who are not participating in the System but who would have been mandated to participate in the System under the laws and rules applicable to the System in effect on June 30, 2004. The initial funding surcharge but not the additional funding surcharge, if any, shall remain in effect until the earlier of June 30, 2034, or the June 30th of the year in which the unfunded accrued liability of the participating institutions is reduced to zero.

C. In addition to the initial funding surcharge described above, the participating institutions shall pay to the System an additional funding surcharge, if required, in an amount necessary to provide for amortization of the unfunded accrued liability of the participating institutions over the applicable amortization period of thirty (30) years, or the amortization period of the System, if longer. The additional funding surcharge shall be reviewed and adjusted in subsequent years based on changes in the assets and liabilities of the membership in the System of the participating institutions. The additional funding surcharge shall be determined by the Board of Trustees of the System and the participating institutions pursuant to the separate agreement of understanding provided in subsection H of this section. Any change in the additional funding surcharge indicated to be necessary by the annual actuarial valuation shall be adopted by the Board of Trustees of the System provided that such change shall become effective on July 1 of the year following such annual valuation and the participating institutions shall be notified by the System no later than January 1 of such year. Provided, the additional funding surcharge determined for any year shall not be greater than an additional funding surcharge determined under the separate agreement of understanding but using the "individual entry age normal cost method" as described in Revenue Procedure

2000-40, Approval 8, to determine the normal cost/normal cost percentage of the participating institutions.

D. Any payments made to the Teachers' Retirement System of Oklahoma pursuant to this section shall not be considered as salary, fringe benefits or compensation due to the eligible employee or electing employee for the purpose of meeting any legislative or contractual obligation of the employer of such person.

E. To determine the amount of assets of the participating institutions at any point in time after June 30, 2003, the participating institutions shall have allocated to such institutions Five Hundred Ninety-two Million Nine Hundred Seventy-four Thousand Two Hundred Sixty-four Dollars (\$592,974,264.00) of the assets of the Teachers' Retirement System of Oklahoma which reflects their portion of assets in the System as of June 30, 2003, plus future employer and employee contributions including service purchases attributable to the participating institutions and its members, nine and forty-one hundredths percent (9.41%) of all federal and state funding received by the System during the applicable year and other assets contributed to the System allocable to the participating institutions subject to the limitations in this subsection, earnings on investments less distributions and expenses allocable to the participating institutions. Provided, the allocation of nine and forty-one hundredths percent (9.41%) of federal and state funding received by the System to the participating institutions shall not exceed the unfunded accrued liability and shall remain in effect until the earlier of June 30, 2034, or when the unfunded accrued liability of the participating institutions is reduced to zero. However, if for any applicable year during the thirty-year amortization period commencing July 1, 2004, there is any unfunded accrued liability allocable to the participating institutions in the System, then the allocable percentage of federal and state funding shall be nine and forty-one hundredths percent (9.41%) but not exceed the unfunded accrued liability. Provided further, after the expiration of such thirty-year amortization period, the allocation of federal and state funding to the participating institutions for any year shall equal the percentage of all such federal and state funding received by the System determined by dividing the actuarial accrued liability of the participating institutions by the actuarial accrued liability of the System, and such methodology to determine such allocation shall be made for all years thereafter.

F. After June 30, 2004, the liabilities associated with the members of the participating institutions participating in the Teachers' Retirement System of Oklahoma shall be determined on a separate basis, reflecting the level of benefits based on the actuarial methods and assumptions used by the System as applied to the participating institutions under this act.

G. The actuarial methods and assumptions applicable to the participating institutions in determining an allocable share of assets, liabilities and associated costs as provided in this act shall be reviewed at least every five (5) years.

H. The Board of Trustees of the Teachers' Retirement System of Oklahoma and the participating institutions shall enter into a separate agreement of understanding which details the procedures to be applied to implement the required

review and subsequent adjustments to the assets, liabilities and the additional funding surcharge attributable to the participating institutions or the actuarial methods or assumptions applied to determine the appropriate share of assets and liabilities applicable to the participating institutions. Except as otherwise provided in this act, the Board of Trustees of the System shall be the final authority to determine all actuarial methods or assumptions to be used by the System and all such actuarial methods or assumptions shall be applied on a sound actuarial basis and on a uniform, fair and consistent basis which methods and assumptions reflect the actual experience of the members of the participating institutions.

70 O.S. § 17-208. Participating Employee Acknowledgment

All eligible employees and electing employees participating in the alternate retirement plan shall acknowledge in writing that benefits payable pursuant to such alternate retirement plan are not the obligations of the State of Oklahoma or the Teachers' Retirement System of Oklahoma. The alternate retirement plan shall be solely responsible for payment of retirement, death or other benefits earned under the alternate retirement plan and such benefits shall be paid to the participants or their beneficiaries pursuant to the terms of the alternate retirement plan.

**State and Education Employees Group Insurance Act
Provisions Relevant to the Teachers' Retirement System of Oklahoma**

74 O.S., § 1316.1. Continuing Life and Health Insurance Coverage After Retirement

A. Any person who retires or who has elected to receive a vested benefit under the provisions of the State of Oklahoma retirement systems or persons who are currently drawing disability benefits under Section 1331 et seq. of this title or who meet each and every requirement of the State Employees Disability Program or the spouse or dependent of any such employee may continue in force the life insurance benefits authorized by this act in a face amount of not less than one-fourth (1/4) of the basic life insurance amount, if such election to continue in force is made within thirty (30) days from the time of severance. Persons electing to continue in force life insurance benefits shall pay the full cost of the life insurance and under such terms and conditions as established by the Board. Further, any such retiree may continue in force any additional life insurance that was purchased prior to retirement at an actuarially adjusted rate and under such terms and conditions as established by the Board.

Effective January 1, 2002, nonvested employees may also continue their life insurance benefits as provided in this section following termination of employment, if the employee has completed at least eight (8) years of service with an employer participating in the Oklahoma Public Employees Retirement System or at least ten (10) years of service with an employer participating in the Teachers' Retirement System of Oklahoma. The election to continue the employee's life insurance in force must be made within thirty (30) days after the date of termination.

B. Any retired employee who is receiving a benefit or terminates employment with a vested benefit from the Teachers' Retirement System of Oklahoma and who becomes enrolled in the health insurance plan offered by the State and Education Employees Group Insurance Act, pursuant to subsection E of Section 5-117.5 of Title 70 of the Oklahoma Statutes, may elect to purchase life insurance benefits in amounts and at a cost as provided for in this section.

C. In lieu of subsection A of this section, any person who retires or who has elected to receive a vested benefit under the provisions of the State of Oklahoma retirement systems and who is participating in a health insurance plan, the dental insurance plan, or the life insurance plan offered by the State and Education Employees Group Insurance Board, including such persons who are currently drawing disability benefits under Section 1331 et seq. of this title or who meet each and every requirement of the State Employees Disability Program on or before July 1, 1999, or the spouse of any such person may elect to purchase life insurance benefits authorized by this subsection in a face amount not to exceed Fifty Thousand Dollars (\$50,000.00). Eligible persons pursuant to this subsection shall make an election by January 1, 2000, to purchase the life insurance coverage provided in this subsection. Life insurance coverage pursuant to this subsection shall depend upon providing satisfactory evidence of insurability for the person who is to be covered. Life insurance coverage, pursuant to this subsection, shall be purchased in blocks of Five Thousand Dollars (\$5,000.00). The premium for such life insurance coverage shall be at a blended rate and shall be set by the Board. The Board shall promulgate rules necessary for the implementation of the provisions of this subsection.

74 O.S., § 1316.3. Continuing Health and Dental Coverage After Retirement

A. Any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma with at least ten (10) years of creditable service or who has a vested benefit with at least ten (10) years of creditable service, pursuant to the provisions of the Teachers' Retirement System of Oklahoma may continue in force the health and dental insurance benefits authorized by the provisions of the State and Education Employees Group Insurance Act if such election to continue in force or begin is made within thirty (30) days from the date of termination of service. Except as provided in subsection E of Sections 5-117.5 and 14-108.1 of Title 70 of the Oklahoma Statutes and Section 840-2.27I of this title and subsection K of this section, health and dental insurance coverage may not be reinstated at a later time if the election to continue in force or begin coverage is declined. Vested persons who have terminated service and are not receiving benefits and effective July 1, 1996, nonvested persons who have terminated service with more than ten (10) years of participating service with a qualifying employer, who within thirty (30) days from the date of termination of service, elect to continue such coverage, shall pay the full cost of said insurance premium at the rate and pursuant to the terms and conditions established by the Board.

B. 1. Health insurance benefit plans offered pursuant to this section shall include:

- a. indemnity plans offered through the State and Education Employees Group Insurance Board,
- b. managed care plans offered as alternatives to the indemnity plans,
- c. Medicare supplements offered through the State and Education Employees Group Insurance Board,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the State and Education Employees Group Insurance Board, and
- e. any other employer-provided health insurance benefit plans if the employer does not participate in the plans offered pursuant to the State and Education Employees Group Insurance Act.

2. Health insurance benefit plans offered pursuant to this section shall provide prescription drug benefits, except for plans designed pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, which may or may not contain prescription drug benefits, for which provision of prescription drug benefits is optional, and except for plans offered pursuant to subparagraph e of paragraph 1 of this subsection.

C. A retired person who:

1. Is receiving benefits from the Teachers' Retirement System of Oklahoma after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and pursuant to subsection A of this section elects to begin or to continue the health insurance plan;
2. Is receiving benefits from the Teachers' Retirement System of Oklahoma after June 30, 1993, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and participates in a health insurance plan provided by a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the State and Education Employees Group Insurance Act or an alternative health plan offered pursuant to the Oklahoma State Employees Benefits Act;
3. Is receiving benefits from the Teachers' Retirement System of Oklahoma after September 30, 1988, made contributions to the system and is sixty-five (65) years of age or older, or who is under sixty-five (65) years of age and is eligible for Medicare and is a participant in the State and Education Employees Group Insurance Act and elects coverage under the Medicare supplement offered by the State and Education Employees Group Insurance Board; or
4. Is receiving benefits from the Teachers' Retirement System of Oklahoma after June 30, 1993, made contributions to the system and is sixty-five (65) years of age or older, or who is under sixty-five (65) years of age and is eligible for Medicare and participates in a health insurance plan provided by a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the State and Education Employees Group Insurance Act or an alternative health

plan offered pursuant to the Oklahoma State Employees Benefits Act and elects coverage under the Medicare supplement offered by the State and Education Employees Group Insurance Board, shall have the amount determined pursuant to subsection E of this section, or the premium rate of the health insurance benefit plan, whichever is less, paid by the Teachers' Retirement System of Oklahoma. If the amount paid by the Teachers' Retirement System of Oklahoma does not cover the full cost of the health insurance premium, the retired person shall pay the remaining amount if the retired person wants to continue the coverage.

D. The Teachers' Retirement System shall pay the amount due pursuant to the provisions of subsection C of this section as follows:

1. For those individuals participating in plans provided through the State and Education Employees Group Insurance Act, payment shall be made to the Board pursuant to the provisions of subsection I of this section; or
2. For those individuals participating in plans provided through a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the State and Education Employees Group Insurance Act, payment shall be made to the education employer.

E. Beginning July 1, 2000, the maximum benefit payable by the Teachers' Retirement System of Oklahoma on behalf of a retired person toward said person's monthly premium for health insurance shall be determined in accordance with the following schedule:

AVERAGE SALARY USED FOR DETERMINING RETIREMENT ALLOWANCE	LESS THAN 15 YEARS OF CREDITABLE SERVICE	LESS THAN 25 YEARS BUT GREATER THAN 14.99 YEARS OF CREDITABLE SERVICE	GREATER THAN 24.99 YEARS OF CREDITABLE SERVICE
Less than \$20,000.00	\$103.00	\$104.00	\$105.00
Less than \$30,000.00 but greater than \$19,999.99	\$102.00	\$103.00	\$104.00
Less than \$40,000.00 but greater than \$29,999.99	\$101.00	\$102.00	\$103.00
\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

For plans offered by the State and Education Employees Group Insurance Board, the amount paid pursuant to this subsection shall first be applied to the prescription drug coverage premium, if any. Any remaining amounts shall be applied towards the medical coverage premium.

F. If a person retires and begins to receive benefits from the Teachers' Retirement System of Oklahoma or terminates service and has a vested benefit

with the Teachers' Retirement System of Oklahoma, the person may elect, in the manner provided in subsection (1) A of this section, to participate in the dental insurance plan offered through the State and Education Employees Group Insurance Act. The person shall pay the full cost of the dental insurance.

G. Those persons who are receiving benefits from the Teachers' Retirement System of Oklahoma and have health insurance coverage which on the operative date of this section is being paid by the education entity from which the person retired shall make the election required in subsection (1) A of this section within thirty (30) days of the termination of said health insurance coverage. The person making the election shall give the Board certified documentation satisfactory to the Board of the termination date of the other health insurance coverage.

H. Dependents of a deceased education employee who was on active work status or on a disability leave at the time of death or of a participating retiree or of any person who has elected to receive a vested benefit under the Teachers' Retirement System of Oklahoma may continue the health and dental insurance benefits in force provided said dependents pay the full cost of such insurance and they were covered as eligible dependents at the time of such death and such election is made within thirty (30) days of date of death. The eligibility for said benefits shall terminate for the surviving children when said children cease to qualify as dependents.

I. The amounts required to be paid by the Teachers' Retirement System of Oklahoma pursuant to this section shall be forwarded no later than the tenth day of each month following the month for which payment is due by the Board of Trustees of the Teachers' Retirement System of Oklahoma to the State and Education Employees Group Insurance Board for deposit in the Education Employees Group Insurance Reserve Fund.

J. The Teachers' Retirement System of Oklahoma shall provide the State and Education Employees Group Insurance Board information concerning the employers of retired and vested members necessary to allow the State and Education Employees Group Insurance Board to track eligibility for continued coverage.

K. Upon retirement from employment with the Board of Regents of the University of Oklahoma, any person who is or was employed at the George Nigh Rehabilitation Institute and who transferred employment pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any person who was employed at the Medical Technology and Research Authority and who transferred employment pursuant to Section 7068 of this title, and any person who is a member of the Oklahoma Law Enforcement Retirement System pursuant to the authority of Section 2-314 of Title 47 of the Oklahoma Statutes may participate in the benefits authorized by the provisions of the State and Education Employees Group Insurance Act for retired participants, including health, dental and life insurance benefits, if such election to participate is made within thirty (30) days from the date of termination of employment. Life insurance benefits for any such person who transferred employment shall not exceed the coverage the person had at the time of such transfer. Retirees who are persons transferred employment and who participate pursuant to this paragraph shall pay the premium for elected benefits less any amounts paid by the retirement system pursuant to this section.