

Teachers' Retirement System of Oklahoma
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RULE IMPACT STATEMENT

A. BRIEF DESCRIPTION OF PURPOSE OF PROPOSED RULES:

These rules are proposed to comply with the statutory responsibility of the Board of Trustees in establishing rules and regulations for the administration of the System and the transaction of its business (70 O.S. Section 17-101 et seq., especially 70 O.S. Section 17-106). These rules are necessary to provide a more efficient administration of the System and ensure that the rules for the Teachers' Retirement System of Oklahoma continue to best serve the System's members.

TITLE 715. TEACHERS' RETIREMENT SYSTEM
CHAPTER 10. GENERAL OPERATIONS

SUBCHAPTER 3. SERVICE ELIGIBILITY

715:10-3-1 is being amended to provide more structure on how service credit is calculated and provide for rounding of service credit awarded. The rule will still grant service based upon employment pursuant to full-time equivalent. The basic formula is the number of days that member works during the contract year divided by the number of days a full-year employment contract in that position requires. The rule will also provide for rounding of service credit to the nearest tenth (for example .98 year service credit would round to 1.0 year and .84 service credit would round down to .80 year). The rule also specifically provides how part-time service credit is calculated based upon employment compared to a full-time equivalent (same calculation above multiplied by .5).

SUBCHAPTER 5. ESTABLISHING OTHER SERVICE CREDITS

715:10-5-4 is being amended provide information, guidance, and procedures on how the cost to purchase Oklahoma service is calculated such as billing deadlines, mortality tables, etc;

715:10-5-4.1 is being amended to provide that all EESIP payments must be completed at least ninety days prior to retirement;

715:10-5-1 is being amended to fix a clerical error involving extra punctuation;

715:10-5-9 is being amended to require all payments for withdrawn service to be completed at least ninety days prior to retirement;

715:10-5-11 is being amended to provide a procedure for the purchase of military service;

SUBCHAPTER 7. MEMBERSHIP VESTING AND TERMINATION

715:10-7-1 is being amended to provide that the five years required for vesting requires a member to have five years of service credit;

SUBCHAPTER 9. SURVIVOR BENEFITS

715:10-9-6 is being amended to provide procedure for the submission of a probate waiver for small estates;

SUBCHAPTER 11. WITHDRAWAL FROM MEMBERSHIP AND REFUND OF DEPOSITS

715:10-11-2 is being amended to make it clearer that a forfeiture of benefits when an optional member withdraws does not forfeit any future benefits the member may become entitled to;

SUBCHAPTER 13. CONTRIBUTIONS FOR MEMBERSHIP SERVICE

715:10-13-1 is being amended to provide examples of what payments meet the definition of regular annual compensation;

715:10-13-13 is being amended to allow employers to continue remitting contributions on an employee's full regular annual compensation during a period when an employee is receiving Workers' Compensation;

SUBCHAPTER 15. SERVICE RETIREMENT

715:10-15-3 is being amended to make it clear that the Intent to Retire must be returned to OTRS no less than 60 days prior to the date of retirement;

715:10-15-7.2 is being amended to provide that an employee who participates in EESIP, and then becomes employed by a non-participating EESIP employer, does not lose their EESIP wear-away performed prior to employment by a non-participating employer;

715:10-15-10 is being amended to clarify that certain retirement options allow the naming of a joint annuitant;

715:10-15-10.2 is being amended to provide a procedure for the payment of partial lump sum options;

715:10-15-11 is being amended to provide guidance as to the designation of beneficiary in case of divorce;

715:10-15-16 is being amended to provide that a member granted temporary disability cannot apply for permanent disability until they are within one month of the expiration of the temporary disability;

SUBCHAPTER 17. POST-RETIREMENT EMPLOYMENT

715:10-17-12 is being amended to provide a deadline for the submission of the Employer Year End Report;

715:10-17-13 is being amended to provide clarity regarding the return to active contributing status after retirement;

SUBCHAPTER 25. QUALIFIED DOMESTIC ORDER

715:10-25-1 through **715:10-25-5** are being amended to provide a procedure and guidance regarding the submission of Qualified Domestic Orders.

B. CLASS OF PERSON(S) AFFECTED (CLASS BEARING COST OF RULES):

The class of person(s) affected by the proposed rules is the membership of the Teachers' Retirement System of Oklahoma.

C. CLASS OF PERSON(S) BENEFITTED BY PROPOSED RULES:

The class of person(s) benefitted by the proposed rules is the membership of the Teachers' Retirement System of Oklahoma.

D. DESCRIPTION OF ECONOMIC IMPACT UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS:

The proposed rules will provide a more efficient administration of the System, resulting in a positive economic impact upon affected classes of persons or political subdivisions. The proposed rules will not have an adverse effect on small business.

E. COST TO AGENCY, EFFECT ON STATE, INCLUDING A PROJECTED NET LOSS OR GAIN IN SUCH REVENUES:

None.

F. ECONOMIC IMPACT THAT IMPLEMENTATION OF THE RULES WILL HAVE ON POLITICAL SUBDIVISIONS AND WHETHER THE IMPLEMENTATION WILL REQUIRE THE SUBDIVISION'S COOPERATION IN IMPLEMENTING OR ENFORCING THE RULE:

None. The proposed rules will not have an adverse effect on small business.

G. LESS COSTLY OR INTRUSIVE METHODS:

None available.

H. DATE IMPACT STATEMENT PREPARED:

December 10, 2015

**CHAPTER 10. GENERAL OPERATIONS
SUBCHAPTER 3. SERVICE ELIGIBILITY**

715:10-3-1. Requirements for creditable service

(a) All members of Teachers' Retirement System must be employed a specified amount of time as related to their educational employment position, and earn a minimum salary, before creditable service will be awarded. A school\employment year falls between July 1 and June 30 of any year. No service performed as a unpaid volunteer shall be counted as service credit. For service performed on or after July 1, 2013, creditable service will be awarded based upon the information provided by each employer certifying full-time equivalent for each position, subject to approval by TRS. No member shall receive one (1) year of service credit for less than 960 hours of employment. (This does not mean that a member working 960 hours is automatically entitled to receive one (1) year of creditable service.) No more than one (1) year of creditable service shall be awarded for all service in any one (1) school year. For service performed on or after July 1, 2013, fractional service will be awarded for less than full-time employment performed during the contract year.-(Note: Please refer to Client Handbook for explanation of creditable service qualifications. The Client Handbook, which is periodically modified, can be found at www.ok.gov/TRS).

(b) For service performed on or after July 1, 2016, service credit will be the result of the days the employee worked during the employment year divided by the days the full-time equivalent for that position would be required to work during the entire employment year. A member employed in a position where the full-time equivalent is required to work at least 6 hours per day, 30 hours per week, and 8 months per year shall be considered a full-

time employee. A member employed less than 6 hours per day, 30 hours per week, or 8 consecutive months in a year shall be considered a part-time employee.

(c)For service performed on or after July 1, 2016, service credit awarded will be the result of the days the employee worked during the employment year divided by the days the full-time equivalent for that position would be required to work during the entire employment year. For a part-time employee the resulting value from this calculation will be multiplied by .5 to arrive at the service credit awarded.

(d)For service credit of less than 1.0, all service credit shall be rounded to the nearest tenths (4 and lower will round down, and 5 and higher will round up).

[Source: Amended at 29 Ok Reg 857, eff 8-1-12]

CHAPTER 10. GENERAL OPERATIONS
SUBCHAPTER 5. ESTABLISHING OTHER SERVICE CREDITS

715:10-5-1. Oklahoma service credit after July 1, 1943

Members may purchase credit for years of employment from July 1, 1943, to date of membership in the public schools of Oklahoma on which contributions were not remitted. One (1) full year (twelve calendar months) as a contributing member of TRS must be completed before a member may make such purchases. All purchased service must meet Teachers' Retirement System minimum requirements for eligibility, in effect at the time of purchase, and be properly documented before purchase is allowed. Payment shall not be allowed for any employment during a school year that was less than one-half (1/2) time, and no credit is allowed for periods of employment when a member participated in an alternate retirement plan as provided for by the Alternate Retirement Plan for Comprehensive Universities Act.- All payments for past service must be made while an active contributing member of the Teachers' Retirement System or within sixty (60) days of termination of employment in the public schools of Oklahoma. Payment for service credit must be completed prior to the effective date of retirement and cannot be purchased by any person after the death of the member. (See OAC 715:10-5-4 for cost and method of payment).

[Source: Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 22 Ok Reg 2255, eff 6-25-05]

715:10-5-4. Cost to purchase Oklahoma service ~~{REVOKED}~~

The purchase price for each year of Oklahoma service, unless otherwise specified, shall be based on the actuarial cost of the incremental projected benefits being purchased.

(1) The actuarial cost and any tables formulated for the purpose of determining such cost, shall be based on the actuarial assumptions adopted by the Board of Trustees to be utilized in the actuarial valuation report for the Fiscal Year beginning each July 1. New actuarial assumptions approved by the Board

subsequent to January 1, 1991, shall be incorporated into such tables with an effective date of the next January 1st.

(2) The actuarial value shall be based upon the member's age, full-time equivalent salary and contribution level at the time of purchase (or the annual salary of the previous year, if greater), together with the earliest age for retirement with maximum benefits and actuarially assumed salary at time of retirement. If purchase is not made by the due date on the billing statement, the purchase must be recalculated and the actuarial cost may increase.

(3) For purposes of this actuarial cost, the member's age shall be determined as the age at last birthday.

(4) For purposes of this actuarial cost, the mortality tables shall be based upon mortality tables adopted by the Board of Trustees.

(5) The actuarial cost shall not be less than the contributions required of the member at a rate commensurate with the salary earned as a regular full-time employee the last preceding school year prior to the purchase. Individuals employed on a less than full-time basis shall have their salary adjusted upward, in a prorata manner, to the amount that would be earned if employed full-time.

(6) Payment may be made in a lump sum for all eligible years of service or in installments equal to establishing one (1) year of creditable service.

(7) A billing statement will be issued at the request of the member. The due date of payment shall be the date prior to the member's next birthday or June 30th, whichever occurs first.

(8) A member may request payment of past service credits billed in accordance with provisions of 70 O.S., Section 17-116.8, as amended, to be amortized in monthly installments of not more than sixty (60) months. A payment schedule may be established allowing the member to make monthly payments directly to Teachers' Retirement or through payroll deductions by the member's employer if the employer agrees to make the deductions and remit payments to Teachers' Retirement. Payments remitted by an employer for its employees must be kept separate from the employer's regular retirement contributions and tax sheltered annuity deposits. Effective January 1, 2002, installment payments made through employer payroll deductions qualify for special tax treatment. (See OAC 715:10-5-35.)

(9) The installment payment schedule provided for in this section must be in equal monthly increments of twelve-month periods not to exceed sixty (60) months. The member shall be responsible for maintaining the payment schedule. Payments are due on the first day of each month. A monthly installment not paid within sixty (60) days of the due date will result in termination of the installment payment schedule with the member given the option of paying the balance of the actuarial cost or receiving partial credit for payments made under the installment schedule as provided for in paragraph (11) of this section.

(10) The monthly payment will be determined by amortizing the total amount due for the service to be purchased over the period

of the installment schedule using an interest rate equal to the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings each year. The current interest rate is eight percent (8%).

(11) If the installment payment is terminated for any reason, including termination of employment, death of the member or by cessation of payments, the member or his beneficiary will have the option of paying the remaining balance within six (6) months. If the balance is not paid, the member will receive credit for service prorated in whole years for only the principal amount paid. Any payment balance that is not used in crediting whole years will be refunded to the member.

(12) Credit will not be awarded for partial years of service unless the member's employment record is such that one-half (1/2) year of credit is included in the original service to be purchased.

(13) Credit for service purchased on an installment schedule will not be added to the member's account until the entire balance is paid, except as provided for in paragraph (11) of this section. All payments must be completed ninety (90) days prior to the effective retirement date of the member.

[Source: Amended at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Amended at 11 Ok Reg 4251, eff 7-25-94; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)2; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 25 Ok Reg 2598, eff 7-11-08; Amended at 29 Ok Reg 858, eff 8-1-12]

715:10-5-4.1. Payment of Contribution Deficit for Education Employees Service Incentive Plan

(a) A member whose Regular Annual Compensation, as defined in 70 O. S. § 17-101, was greater than \$40,000 during the school years 1987-88 through 1994-95, must make an additional contribution based on his or her Regular Annual Compensation in excess of \$40,000 to qualify for the provisions of OAC 715:10-15-7.2. A member who chooses not to make the additional contribution payment will not qualify for the EESIP formula.

(b) The payment required for any school year between 1987-88 and 1994-95 is the contribution rate in effect for each year applied to the difference between the member's total Regular Annual Compensation and the amount contributed by or on behalf of the member during the school year. This may include compensation in excess of \$25,000, when the member elected not to contribute on earnings between \$25,000 and \$40,000 for these school years or when the school failed to contribute on the member's total compensation up to \$40,000 for any school year during this period. In addition to the contribution balance, compound interest of ten percent (10%) per annum will be included in the balance due for each year. The interest rate will be applied from June 30 of the school year to the date payment is made to the

Teachers' Retirement System.

(c) To qualify for the movement of the first two (2) years of service credits performed before July 1, 1995, the member must make any payment due for the 1993-94 and 1994-95 school years. To qualify for the next two (2) years of service performed prior to July 1, 1995, the member must make any payment due for the 1991-92 and 1992-93 school years. Payment for additional years of service performed prior to July 1, 1995, will be required in descending order back to the 1987-88 school year.

(d) Payment must be made in accordance with existing Internal Revenue Service regulations in effect at the time of payment. TRS will accept after-tax contributions and pre-tax direct or indirect rollovers and transfers from 401(a), 401(k), 403(b), 457 and IRA plans, when allowed by IRS regulations, and installment payment arrangements as provided under OAC 715:10-5-35. Payments may be a combination of any of the available payment methods. (Also see OAC 715:10-5-32. Roll-overs from other qualified plans or conduit IRAs.)

(e) Any payment balance(s) required for a member to qualify for the EESIP formula must be completed at least ~~thirty (30)~~ ninety (90) days before the member's retirement date.

(f) TRS staff will calculate each member's contribution deficit for any year(s) based on payroll records as reported by the employing school. When existing payroll records are not sufficient to accurately determine the member's contribution deficit, TRS has the right to request additional information from the member and/or the employing school. If additional records are required, it is the member's responsibility to obtain or cause records to be forwarded to TRS from the employing school.

(g) If a member retires on or after July 1, 2006, and before June 30, 2007, the member will be required to pay 50% of the total contribution deficit balance.

(h) If a member retires on or after July 1, 2007, and before June 30, 2008, the member will be required to pay 75% of the total contribution deficit balance.

(i) If the member retires on or after July 1, 2008, the member will be required to pay 100% of the total contribution deficit balance.

(j) TRS will accept EESIP contribution deficit payment(s) from the member at any time prior to the member's retirement. However, if at retirement it is determined that an additional balance is due, the member will be required to make the additional payment, including interest, before his or her first retirement benefit payment is due. If it is determined the member has paid more than the required balance, any difference will be refunded to the member, but no interest will be paid by TRS on the deposits, regardless of the length of time such deposits have been held by the Teachers' Retirement System.

[Source: Added at 24 Ok Reg 220, eff 10-31-06 (emergency);
Amended at 24 Ok Reg 1692, eff 6-11-07]

715:10-5-9. Re-establishing withdrawn service

After returning to employment in the public schools of Oklahoma a member may redeposit a withdrawn account to re-establish service previously withdrawn from the system. For purposes of this section the following shall apply:

(1) A "classified" and "non-classified" member (except as noted in paragraph 2 of this section) who has returned to public education employment and has established one full year (twelve calendar months) of creditable Oklahoma service, is eligible to redeposit withdrawn contributions. A redeposit of withdrawn contributions must include all applicable interest, which shall be computed at a simple interest rate of ten percent (10%) per annum from the date of the withdrawal to the date repayment is made.

(2) Non-classified members who voluntarily withdrew from membership in TRS, between July 1, 1984 and June 30, 1990, without terminating employment in the public schools of Oklahoma, are not eligible to redeposit or purchase past service for any period of employment between the date of the membership period covered by the withdrawn account and the date of return to membership in TRS.

(3) Non-classified members who voluntarily cease monthly contributions to TRS while continuing to be employed in an eligible position shall be considered to have withdrawn from membership.

(4) Requests for redeposits should be made to the Teachers' Retirement System in writing. The request must include the name in which the service was rendered, the Social Security number and the number of years withdrawn.

(5) Documentation of this service is on file in the Teachers' Retirement System office and will be verified by the staff. Service that cannot be documented by researching microfilm records of the member's prior service account or the monthly remittance reports from the employing school must be purchased under the rule for establishing service prior to membership.

(6) Repayments of withdrawn accounts may be made by active contributing members of TRS in a single lump sum, which includes the withdrawn contributions and all applicable interest, or in installment payments. Such installment payments may be paid in 12-month increments, but shall be completed within 60 months. Installment payments shall include interest based upon actuarial assumptions adopted by the TRS Board of Trustees. Such installment payments shall be completed before the member's effective retirement date. No proration is allowed for partial payments. If payments terminate prior to completion of the installment agreement, the amount paid by the member shall be refunded without interest.

(7) Redepositing of withdrawn accounts must be completed, and payment made to TRS, within sixty (60) days of termination of employment in the public schools of Oklahoma, but ~~one (1) month~~ ninety (90) days prior to the effective date of a member's official retirement date.

(8) No person may make a redeposit to a member's account after

the death of the member.

[Source: Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)1; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)2; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 29 Ok Reg 860, eff 8-1-12]

715:10-5-11. Military service limited to maximum of five years
[REVOKED]

Credit for military service may be purchased and is limited to a maximum of five (5) years. This includes service both before and after July 1, 1943. No credit may be given for any year of military duty which duplicates any other credit already granted or in which a year of creditable service is available for service in the public schools of Oklahoma. The member must have two (2) years of creditable Oklahoma service after the years of military service credit for each year to be purchased. Out-of-state service credit cannot be counted as employment in obtaining military service credit. The purchase of military service must be completed, and payment made to TRS, no later than 90 days prior to the effective date of a member's official retirement date.

[Source: Revoked at 29 Ok Reg 860, eff 8-1-12]

CHAPTER 10. GENERAL OPERATIONS
SUBCHAPTER 7. MEMBERSHIP VESTING AND TERMINATION

715:10-7-1. Vesting of membership in TRS

Members who have accumulated five (5) or more years of creditable service in the public schools of Oklahoma, on which retirement contributions have been remitted, and whose account had not closed prior to July 1, 2003, in accordance with 70 O.S. § 17-103(6) or OAC 715:10-7-3, shall be granted an indefinite extension of membership in TRS. Such membership is vested and shall remain open until the member retires or the contributions are voluntarily withdrawn. Military and out-of-state service shall not be included in the five (5) years required for vesting. Any year of service obtained by the use of accumulated unused sick leave cannot be included in the five (5) years required for vesting. Any member who joins TRS after July 1, 1991, shall be required to have five (5) full years of membership service credit awarded pursuant to OAC 715:10-3-1 et. seq. as a contributing member of the System. For members who join after July 1, 1991, Oklahoma service purchased after membership will not be counted for "vesting" purposes.

[Source: Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency); Amended at 21 Ok Reg 3099, eff 8-12-04]

CHAPTER 10. GENERAL OPERATIONS
SUBCHAPTER 9. SURVIVOR BENEFITS

715:10-9-6. Probate Waivers ~~{REVOKED}~~

(a) In the event a member dies, leaving no living beneficiary or having designated his estate as beneficiary, the System shall require the judicial appointment of an administrator or executor for the member's estate prior to payment of any benefits or unpaid contributions. However, this requirement may be waived by the System for any benefits or unpaid contributions in the amount of \$5,000.00 or less, upon presentation of:

(1) the member's valid Last Will and Testament

(2) an Affidavit of Heirship naming all heirs to the member's estate which must state:

(A) 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 the amount permitted by law, including the payment of benefits or unpaid contributions from the System;

(B) a description of the personal property claimed (including the death benefit or unpaid contributions or both), together with a statement that such personal property is subject to probate; and

(C) a claim 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 Hold Harmless Agreement signed by all heirs;

(4) a Corroborating Affidavit from someone other than an heir who is familiar with the deceased member; and

(5) proof of payment of expenses of last sickness, death and burial, including all medical, hospital and funeral expenses.

(b) The Executive Director of the Teachers' Retirement System shall retain complete discretion in determining which requests for probate waiver may be granted or denied, for any reason. If there is any question as to the validity of any document herein required, the judicial appointment requirement shall not be waived.

(c) After paying any death benefits or unpaid contributions to any claiming heirs as provided by this section, the Teachers' Retirement 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 section or into the payment of any estate tax liability.

[Source: Amended at 12 Ok Reg 841, eff 1-15-95 through 7-14-95 (emergency)1; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3523, eff 8-26-96; Amended at 28 Ok Reg 981, eff 5-26-11; Revoked at 29 Ok Reg 862, eff 8-1-12]

CHAPTER 10. GENERAL OPERATIONS

SUBCHAPTER 11. WITHDRAWAL FROM MEMBERSHIP AND REFUND OF DEPOSITS

715:10-11-2. Withdrawal of optional membership while still employed

A non-classified optional member may voluntarily terminate TRS membership while continuing employment in the public schools of Oklahoma, if:

(1) Proper application is made to TRS. Withdrawal may be made no earlier than two (2) months after date of application and no earlier than the receipt by TRS of the final deposit to the member's account.

(2) The financial officer of the employing school certifies the member's election to stop contributions and the date the member's last contributions will be remitted to TRS.

(3) Any member who withdraws under the conditions listed here may rejoin the Teachers' Retirement System, under the provision of OAC 715:10-1-4(8). A member who terminates membership under this section cannot redeposit contributions withdrawn under this section at a later date, even if the individual returns to membership in TRS. The member will also forfeit any right to purchase service performed from the date of termination of membership under this section and prior to the re-entry date, and will forfeit any unused sick leave accumulated from the date of termination of membership under this section and prior to the re-entry date.

(4) A member's contributions cannot be terminated, by either the member or the employer, without termination of TRS membership. Any member who ceases contributions while still employed in an optional position shall be deemed to have become an ineligible member of TRS, and will have forfeited all rights to retirement benefits provided by TRS. For the service prior to the date the member ceased contributions.

(5) An employer may prevent its employees from withdrawing, under this rule, if the employer has a negotiated labor agreement, or formalized IRS plan, prohibiting such terminations and withdrawals.

(6) After-tax contributions can be refunded to an optional member prior to separation from service. Pre-tax contributions cannot be refunded until the member terminates employment or turns 62. Following termination of employment, TRS should be contacted for the proper form to be completed for return of pre-tax contributions. Upon completion of the verification form by the school and the mandatory four-month waiting period, payment of the balance of the account will be made at the same time as regular withdrawals.

[Source: Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)1; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 20 Ok Reg 2247, eff 3-5-03 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 28 Ok Reg 981, eff 5-26-11; Amended at 29 Ok Reg 863, eff 8-1-12]

CHAPTER 10. GENERAL OPERATIONS
SUBCHAPTER 13. CONTRIBUTIONS FOR MEMBERSHIP SERVICE

715:10-13-1. Regular annual compensation requirements—[REVOKED]

Each member of the Teachers' Retirement System is required to make contributions to the Retirement Fund. Monthly contributions are a set percent of "regular annual compensation". Regular annual compensation is defined as wages plus fringe benefits, excluding the flexible benefit allowance provided by Section 26-105 of Title 70 of the Oklahoma Statutes, and shall include all normal periodic payments as provided in subsection D of Section 17-116.2 of Title 70 of the Oklahoma Statutes. Wages and fringe benefits for retirement purposes are defined as normal periodic payment for service the right to which accrues on a regular basis in proportion to the service performed. Such periodic payments shall include staff development or other periodic payments to qualifying members. Fringe benefits shall include employer-paid group health and disability insurance, group term life insurance, annuities and pension contributions and IRS Code Section 125 cafeteria benefits provided on a periodic basis to all qualified members of the employer, which qualify as fringe benefits under the United States Internal Revenue Code. A qualified member is any eligible employee who is currently contributing to the System. Excluded from regular annual compensation are: employer contributions to a deferred compensation plan that is not provided to all qualified members of the employer, expense reimbursement payments; office, vehicle, housing or other maintenance allowances; the flexible benefit allowance provided pursuant to Section 26-105 of Title 70 of the Oklahoma Statutes; payment for unused vacation and sick leave; any payment made for reason of termination or retirement; maintenance or other non-monetary compensation; payment received as an independent contractor or consultant; any benefit payments not made pursuant to a valid employment agreement; stipends that are not given across the board to all employees; payment received for obtaining national board certification; and compensation received from the Teacher Shortage Employment Incentive Program. Contributions can only be remitted on actual wages and fringe benefits. No individual can contribute on unearned or non-existent compensation. Under no circumstances can members pay retirement contributions on more than they actually earn.

[Source: Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)1; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 27 Ok Reg 1282, eff 5-27-10; Amended at 28 Ok Reg 981, eff 5-26-11; Revoked at 29 Ok Reg 863, eff 8-1-12]

715:10-13-13. Contributions while receiving payments from Workers' Compensation

Any member who is an active contributing member and receives temporary total disability benefits during the period of absence from a public school due to a work-related injury or illness and qualifies for payment pursuant to the Workers' Compensation Act shall receive credit for said period of absence, if contributions were not remitted on the member's regular annual compensation while the member is receiving temporary total or partial disability benefits, subject to the following requirements:

- (1) the member was employed by the public school immediately prior to and during the period of absence,
- (2) the member must notify the System in writing not later than four (4) months after the member's return to his or her job duties with the public school, or termination of the temporary total disability benefits, whichever is earlier, of the member's desire to receive service credit for the period of absence,
- (3) the public school employer must certify to the System in writing the dates during which temporary total disability benefit payments were paid to the member, and
- (4) the member and the public school employer shall each pay the respective contributions required for the period of absence without interest within sixty (60) days of billing by the System, or with interest at a rate consistent with the actuarial assumed earnings rate adopted by the Board of Trustees (currently 8% per annum), compounded annually if paid after said sixty (60) days. Employee and employer contributions will be based on the member's regular annual compensation the member would have earned had the injury or illness not occurred.
- (5) All balances due must be paid in full at least 30 days prior to ~~retirement or~~ termination of employment or ninety (90) days prior to the effective date of a member's official retirement date.

[Source: Added at 15 Ok Reg 48, eff 9-4-97 (emergency); Added at 15 Ok Reg 3481, eff 7-15-98; Amended at 29 Ok Reg 865, eff 8-1-12]

**CHAPTER 10. GENERAL OPERATIONS
SUBCHAPTER 15. SERVICE RETIREMENT**

715:10-15-3. Date of retirement; making application

The earliest effective date of retirement for any eligible member is the first day of the month following the one in which employment ceases, with the first annuity payment due the last day of that month.

- (1) It is the member's responsibility to notify, by filing a retirement contract as outlined in paragraphs 4 and 5 of this section, the TRS Board of Trustees of the date on which retirement is to begin.
- (2) Payments for all years of service, for which a member wants to receive credit, must be made no less than 90 days prior to the date of retirement.
- (3) State law does not permit TRS to make retroactive retirement

payments. Members should ensure that their creditable service record is up-to-date and accurate before they retire.

(4) After submitting all pre-retirement required documentation, the member will receive an Intent to Retire. This form must be returned to TRS no less than sixty (60) days prior to the expected retirement date. Upon receipt of the completed Intent to Retire ~~the member will receive a final contract for retirement. upon completing and returning to TRS an Intent to Retire. This form should be returned to TRS no less than sixty (60) days prior to the expected retirement date. The member shall select the retirement option on the Intent to Retire.~~

(5) The Final Contract for Retirement, properly executed before a notary, is required by statutes to be filed with TRS no less than thirty (30) days before the date of retirement. Therefore, the final contract for retirement must be completed and on file with TRS by the first day of the month immediately preceding the retirement date. The first retirement benefit payment will be made on the first day of the month following the effective date of retirement.

(6) For example, a retirement contract must be on file by May 1, for a retirement date of June 1, in order to process the first retirement benefit payment on July 1.

[Source: Amended at 30 Ok Reg 1476, eff 7-1-13]

715:10-15-7.2. Retirement formula for members retiring under provisions of the Education Employees Service Incentive Plan (-EESIP-)

(a) Legislation enacted during the Special Session of the 2006 Legislature modified the standard retirement formula for TRS members employed by remitting entities other than comprehensive and regional four-year universities. A member must have been employed by a participating remitting entity for at least one full school year (twelve months) immediately prior to termination of employment or retirement to qualify for this section.

(b) A TRS member who was employed prior to July 1, 1995, may have service credits performed prior to July 1, 1995, calculated in the member's retirement formula used for service performed after July 1, 1995, when the member's average salary at retirement is greater than \$40,000, and the member works beyond the year in which he or she reaches normal retirement age. (The terms "average salary" and "normal retirement age" are defined in 70 O. S. § 17-101.)

(c) ~~A retiring~~ member who works one year beyond the school year in which he or she reaches normal retirement age, and who is employed by a participating employer, may move two (2) years of service performed prior to July 1, 1995, to the retirement formula used to calculate service performed after July 1, 1995. For each additional year the member works beyond normal retirement age employed by a participating employer, he or she may move two (2) additional years of service credit performed prior to July 1, 1995.

(d) For members who retire on or after July 1, 2006, and before June 30, 2007, the maximum average salary that can be used to

calculate the benefit for service credits that qualify to be moved under this section is \$60,000. During this one-year period, a member whose average salary at retirement is greater than \$60,000 shall have benefits calculated in three steps: 2% x \$40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; 2% x \$60,000 for service performed prior to July 1, 1995, that qualifies as moved service; and 2% x the member's average salary for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.]

(e) For members who retire on or after July 1, 2007, and before June 30, 2008, the maximum average salary that can be used to calculate the benefit for service credits that qualify to be moved under this section is \$80,000. During this one-year period, a member whose average salary at retirement is greater than \$80,000 shall have benefits calculated in three steps: 2% x \$40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; 2% x \$80,000 for service performed prior to July 1, 1995, that qualifies as moved service; and 2% x the member's average salary for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.]

(f) For members who retire on or after July 1, 2008, the average salary used to calculate the benefit for service credits that qualify to be moved under this section is the member's average salary at retirement. The member's retirement benefit will be calculated as follows: 2% x \$40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; and 2% x the member's average salary for service performed prior to July 1, 1995, that qualifies as moved service and for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.]

(g) A member whose Regular Annual Compensation was greater than \$40,000 during the school years 1987-88 through 1994-95 must make an additional contribution to qualify for movement of service provided for in this section. [See OAC 715:10-5-4.1. Payment of contribution deficit for Education Employees Service Incentive Plan]

(h) A member reaches Normal Retirement Age during the school year he or she reaches age 62, or when the member's age and total service equal 80 or more for those members whose official TRS membership date is prior to July 1, 1992, and when the member's age and total service equal 90 or more for those members whose official TRS membership date is on or after July 1, 1992.

(i) For this section, credit a member may receive for having 120 or more days of unused sick leave at retirement will be used in determining the school year in which a member reaches Normal Retirement Age.

(j) For this section, a member who reaches Normal Retirement Age by the tenth of July of any school year will be considered to have reached Normal Retirement Age at the beginning of that school year. A member who reaches Normal Retirement Age after the

tenth of July of any school year will be considered to have reached Normal Retirement Age at the beginning of the next school year in which the member is employed.

(k) To qualify for a year of service beyond Normal Retirement Age, OAC 715:10-3-2 and OAC 715:10-3-3 will be used to determine credited service. However, a fractional year of service performed after reaching Normal Retirement Age cannot be combined with a fractional year of service performed prior to reaching Normal Retirement Age to qualify for a year of service credit under this section- Fractional years of service worked after reaching Normal Retirement Age can be combined to create a full year of credited service. If a member participates in ESSIP and wears away at least two (2) years of capped service but has employment at a non-participating entity (comprehensive and regional four-year universities) after reaching Normal Retirement Age, service credit will be awarded for the employment for the non-participating entity, but the salary the member earned at the non-participating entity will not be applied to those years of service which qualify for the Education Employees Service Incentive Plan (EESIP).

(l) The provisions of subsections e and f of this section become effective only if additional employer contributions are funded as required by Enrolled House Bill 1179xx.

[Source: Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07]

715:10-15-10. Retirement plans

A member may elect to receive a monthly life annuity under one of the following plans:

(1) The Maximum Retirement Plan provides the greatest monthly lifetime benefit that each individual member's years of creditable service and average salary permit. The maximum retirement plan is the monthly entitlement calculated using the standard retirement formula set by statutes. In the event the total retirement payments made prior to the death of a retired member are less than the member's accumulated contributions (with any interest credited to the account prior to July 1, 1968), the difference shall be paid to the member's designated beneficiary or to the member's estate if no designated beneficiary survives the member.

(2) Retirement Option 1 provides a slightly reduced lifetime benefit. The monthly entitlement is the difference between the annuity portion of the maximum retirement plan and the annuity portion of an Option 1 retirement plan subtracted from the Maximum retirement plan. If the retired member dies before receiving in the annuity portion of the monthly payments an amount equal to the member's deposits (with any interest credited to the account prior to July 1, 1968), the remaining balance shall be paid in a lump sum to the member's designated beneficiary or to the member's estate if no beneficiary survives the member. (The member's deposits are "protected" for the member's beneficiary for a longer period of time than under the maximum retirement plan, hence, the monthly benefit is less than

the Maximum benefit.)

(3) Retirement Option 2 provides a reduced monthly benefit payable to the member for life. At the death of the retired member, the same monthly benefit payable to the member, shall continue to the member's beneficiary joint annuitant, if living. This option is known as a "100% joint survivor annuity." The reduction in the monthly benefit is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The ages of the member and beneficiary joint annuitant are an important factor in computing this benefit. The beneficiary joint annuitant for the Option 2 retirement plan may be the member's spouse or another person. If the designated beneficiary joint annuitant is not the member's spouse, IRS Regulations require that the adjusted member/beneficiary age difference cannot be more than ten (10) years. The adjusted member/beneficiary joint annuitant age difference is determined by first calculating the excess of the age of the member over the age of the beneficiary based on their ages on the date of retirement. If the member is younger than age 70, the age difference determined in the previous sentence is reduced by the number of years that the member is younger than age 70 based on the member's age on the date of retirement. If the adjusted member/beneficiary joint annuitant age difference is greater than ten (10) years, the Option 2 retirement plan is not available. In the event the member's beneficiary joint annuitant 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 the Option 2 retirement plan. The beneficiary joint annuitant designation cannot be changed under any circumstance after the date of retirement. The reduction in the monthly payment is much greater than under all other retirement options because two people are protected for the life of both individuals.

(4) Retirement Option 3 provides a reduced monthly benefit payable to the member for life. At the death of the retired member, one-half (or 50%) of the monthly benefit payable to the member, shall continue to the member's beneficiary joint annuitant, if living. This option is known as a "50% joint survivor annuity." The reduction in the monthly benefit is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The age of the beneficiary joint annuitant is an important factor in computing this benefit. The beneficiary joint annuitant for the Option 3 retirement plan may be any person. In the event the member's beneficiary 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 the Option 3 retirement plan. The beneficiary joint annuitant cannot be changed under any circumstance after the date of retirement. The reduction in the monthly payment, while not as great as in the Option 2 plan, still requires a substantial reduction because two people are

protected for the life of both individuals.

(5) Retirement Option 4 provides a reduced monthly benefit payable to the member for life. In the event the retired member dies within one hundred twenty (120) continuous months from the date of retirement, the balance of the payments is continued to the designated beneficiary until a total of one hundred twenty (120) months have been completed. The actual reduction is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The beneficiary must be designated at the time of retirement. The Option 4 retirement plan is not available for a member whose retirement date is on or after the member reaches age 93. However, if the designated beneficiary is the member's spouse, the Option 4 retirement plan may be selected if the 120-month period does not extend beyond the joint life and last survivor expectancy of the member and the member's spouse. If the beneficiary dies before the total number of "guaranteed" months have been completed, the remaining payments shall be computed at the rate of interest used in determining the original guarantee. The funds remaining shall be paid to the administrators, executors or assigns of the last surviving payee.

[Source: Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)¹; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)²; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)³; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 22 Ok Reg 2255, eff 6-25-05]

715:10-15-10.2. Partial lump-sum payments

~~The requirements for partial lump-sum payments shall be administered as directed in Title 70, Oklahoma Statutes, Section 17-105.2 [70 O.S. 17-105.2].~~

(a) Any member of the Teachers' Retirement System with 30 or more years of service credit may elect to receive a partial lump-sum payment in exchange for a reduced annuity. The application for a partial lump-sum payment will be added to the retiring member's final contract for retirement on a form prescribed by the Board of Trustees. A beneficiary of a deceased active member is not eligible to select a partial lump-sum payment.

(1) A member may elect to receive a partial lump-sum payment in an amount equal to the unreduced retirement benefit (Maximum Retirement Allowance) which would have been paid over a period of 12, 24 or 36 months, had the lump-sum option not been selected. Once the payout amount is selected, a reduced Maximum Retirement Allowance is then calculated using factors based upon the member's age at retirement and the payout option (12, 24, or 36 months) selected. This reduced Maximum Retirement Allowance then serves as the basis upon which other optional payment alternatives will be calculated pursuant to 70 O.S. § 17-105 and OAC 715:10-15-10.

(2) The partial lump-sum payment shall be paid in a single check separate from the regular monthly retirement ninety (90)

days after the date of the retiring member's first monthly benefit payment. The partial lump-sum payment cannot be returned to the Retirement System once it has been received by the member.

(3)The partial lump-sum payment shall be subject to federal income tax in accordance with Internal Revenue Code or applicable Internal Revenue Service regulations. In accordance with IRS regulations, the member may elect to roll over the partial lump-sum payment into an eligible individual retirement account (IRA) or other eligible retirement plan, including the Oklahoma Teachers' Retirement System's 403b Tax Sheltered Annuity Plan if you already have an established account prior to expected retirement date.

(4)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 posted to the member's account prior to July 1, 1968, for the purpose of determining unused contributions remaining in the account.

(5)The partial lump-sum payment will be based on the service credit and average compensation, including projected compensation, at the time of retirement, but may be issued before final compensation and contributions are received and posted to the member's account. TRS reserves the right to correct any overpayment or underpayment discovered after final compensation and contribution postings have been received. Should the member have been overpaid, TRS will collect such overpayment from the member, based on an actuarial adjustment to the member's monthly benefit. Should the member have been underpaid, TRS will actuarially adjust future monthly benefit payments to compensate the member for the amount of the underpayment.

(6)A retiree, having received a partial lump-sum payment, who is reemployed and returns to membership contributing status pursuant to OAC 715:10-17-13, shall have his or her subsequent retirement benefit calculated taking into consideration that a partial lump-sum payment has been received.

(7)Should the retiring member die after the effective date of retirement, but before the partial lump-sum payment is made, the payment will be made to the beneficiary(ies) designated by the retiring member on the final contract for retirement, unless the member filed a separate beneficiary form specifically designating a third party as the beneficiary of the partial lump-sum payment.

(8)If the retiring member is married at the time of retirement, the member's spouse must sign the member's partial lump-sum application form acknowledging the retiring member's intent to receive a partial lump sum payment.

[Source: Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)1; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 29 Ok Reg 866, eff 8-1-12]

715:10-15-11. Designation of beneficiaries for retirement options

A designation of beneficiary must be made when the retirement contract is completed. A member who selects the Maximum or Option 1 retirement plan may name more than one beneficiary.

Beneficiaries named for the Maximum and Option 1 retirement plan may be changed by the member at any time. A member desiring to change or update a beneficiary designation should request TRS Form 90. The beneficiary for the Option 2 or Option 3 retirement plan cannot be changed even if the beneficiary dies before the member, providing, however, the retired member may designate an alternate beneficiary to receive the \$5,000 death benefit, when the spouse predeceases the member. The member who elects the Option 4 retirement plan must name a beneficiary, who can be any living person. The beneficiary does not have to be a spouse or dependent. In the case of a divorce the retirement contract remains in force and the member's joint annuitant (ex-spouse) will receive the member's monthly benefit after the member's death unless a Court, acting through a Qualified Domestic Relations Order, directs otherwise.

[Source: Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)¹; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 25 Ok Reg 2598, eff 7-11-08]

715:10-15-16. Review by Medical Board

Upon receipt of the application for disability retirement, the Medical Board of the Teachers' Retirement System will review the application at its next monthly meeting. The Medical Board may recommend to the Board of Trustees a member for permanent disability retirement or for a temporary disability retirement when in its opinion the prognosis of the disability is of a temporary nature. Temporary disability retirement benefits may be provided for six (6) to twelve (12) months, subject to re-examination by the Medical Board at the end of the prescribed period. If a member is granted temporary disability the member may apply for permanent disability, or reapply for temporary disability, only within one (1) month of the expiration of the temporary disability. The member will be notified in writing of the recommendation of the Medical Board. If disability benefits are not recommended by the Medical Board, the reason will be provided to the member. The member may then submit additional medical evidence for further review or request an administrative hearing pursuant to the Administrative Procedures Act, 75 O.S. Section 250 et seq., and OAC 715:1-1-10 within sixty (60) days of notification of the Medical Board's adverse recommendation.

[Source: Amended at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)¹; Amended at 11 Ok Reg 4251, eff 7-25-94; Amended at 19 Ok Reg 2729, eff 7-11-02]

CHAPTER 10. GENERAL OPERATIONS
SUBCHAPTER 17. POST RETIREMENT EMPLOYMENT

715:10-17-12. Earnings report by remitting agencies

After June 30 but prior to November 1 of each year, each employer covered by the provisions of TRS shall submit through the OTRS Employer Portal a report showing the total earnings received by each individual, member and non-member of TRS, as well as information on each member such as contract length, hours worked, and other employment related information during the previous employer fiscal year. This report shall be known as the Employment Year End Report.

Prior to March 15 of each year, each employer covered by the provisions of TRS shall submit a report showing the total earnings received by each individual, member and non-member of TRS, during the previous calendar year. The report provided by the employer shall be a copy of the ~~magnetic media~~ report prepared and submitted to IRS to report W-2 Tax Statements and other taxable income reportable to IRS and the Social Security Administration. ~~In lieu of the magnetic media report above, a magnetic media report may be created having~~ The report will be electronically transmitted to TRS via the Employer Portal and will contain the name, social security number, address and the total earnings paid from all sources from January 1 to December 31 of the year and shall be in the format specified by TRS. [

Source: Amended at 27 Ok Reg 1282, eff 5-27-10]

715:10-17-13. Election to return to qualifying employment

Any retired member who returns to employment in the public schools of Oklahoma and is employed half-time or more as defined in OAC 715:10-3-2 and OAC 715:10-3-3 may return to post-retirement employment or active contributing status ~~membership contributing status~~ under the following conditions:

(1) Active Contributing Status. The retired member must file an irrevocable election to discontinue retirement benefits for the period of such employment. The return to membership contributing status must coincide with the beginning of a school year or the member must refund all benefit payments received from the beginning of the school year in which employment begins and make employee contributions on any compensation earned from the beginning of the school year to the date of the election to return to contributing status.

(2) The election form must be completed by the employing school and signed by the retired member and an official who has authority to employ or pay regular employees of the school. In addition, a new Personal Data Form 1-A shall be completed and submitted to TRS to return a member to work status.

(3) The form must include the nature of the position held and the beginning date of employment.

(4) Retirement payments shall be discontinued in accordance with OAC 715:10-17-14. Retirement payments shall not be resumed during the summer months between consecutive years of this type of

employment.

(5) The retired member and the employing public school shall remit employee and employer contributions in the same manner as active contributing employees.

(6) The retired member shall accumulate service credit in the same manner as active contributing employees of the system.

(7) Upon termination of employment, the retired member's monthly retirement benefits will resume with an adjustment to reflect credit for the additional employment as follows:

(A) The initial benefit calculated at the time of retirement will not be affected by the additional employment.

(B) Service credits will be accumulated and credited to the member's record in accordance with Subchapter 3 of this Chapter.

(C) A supplemental benefit for the year(s) of additional service will be calculated using the standard retirement benefit formula and the retirement plan selected by the retiree when the member first retired (See OAC 715:10-15-7 and 715:10-15-7.1).

(D) The average salary used in calculating the supplement benefit will be the average of the salaries earned during this period of employment. In the event the member is employed for less than the number of years required to determine the appropriate average salary, the average will be determined by the number of years employed. Annual salaries will be based on contributions made and determined on a school year basis.

(8) If the retired member is employed for a period less than six months, or for a period of time which does not qualify for additional service credit, the employee contributions remitted by the employee or by the employer on the retired member's behalf will be refunded to the member without interest. Employer contributions as provided by OAC 715:10-13-3 will not be refunded.

(9) The employer shall provide written notice to the Teachers' Retirement System when the retired member's employment is terminated. The member cannot resume benefit payments under this rule and remain employed. The member must comply with the sixty (60)-day non-employment rule that applies to a member who elects regular retirement. Retirement payments will be resumed effective the first of the following month, provided employment terminates on or before the 15th of the month, otherwise benefits will be resumed the first of the next succeeding month. Any supplemental benefit determined pursuant to this section shall commence at the same time.

(10) If the retired member dies while engaging in half-time or more employment as provided in this section, the retired member's beneficiaries will receive any survivor benefits specified in the terms of the retirement contract elected by the member, the \$18,000 death benefit provided by OAC 715:10-9-2, if applicable, and a return of employee contributions, plus interest accumulated during the current employment, as defined in OAC 715:10-9-1. The beneficiaries of the deceased retired member will not be entitled to both the \$18,000 death benefit and the \$5,000 death benefit defined in OAC 715:10-9-4.

(11) If a retired member does not file an election to discontinue

monthly benefits while employed by the public schools of Oklahoma, he or she waives the accrual of service credit and the right to any supplemental benefit from service in the position. The retired member will, however, be subject to the earnings limits outlined in Title 70, Oklahoma Statutes, Section 17-116.10 [70 O.S. 17-116.10]. ~~except to the extent that the value of the accrual of additional service credit and the supplemental benefit would exceed the actuarial value of the benefits received under this Chapter and that were continued or begun pursuant to an election under this section. In such a case, a supplemental benefit equal only to the difference in value will be payable upon subsequent retirement.~~

(12) Retired members returning to half-time or more employment under this subchapter and section shall not be considered "active members" for purposes of purchasing or transferring any form of prior service credit of whatever nature.

(13) A retiree having received a partial lump-sum payment, who is re-employed and returns to membership contributing status pursuant to OAC 715:10-17-13, shall have his or her subsequent retirement benefit calculated taking into consideration that a partial lump-sum payment has been received.

[Source: Added at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)¹; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)²; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)³; Amended at 21 Ok Reg 3099, eff 8-12-04]

CHAPTER 10. GENERAL OPERATIONS

SUBCHAPTER 25. QUALIFIED DOMESTIC ORDER ~~{REVOKED}~~

715:10-25-1. Definition ~~{REVOKED}~~

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

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)¹; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-2. Filing a qualified domestic order~~{REVOKED}~~

A member of Teachers' Retirement, his or her legal representative, a member's former spouse, or his or her legal representative may file a qualified domestic order with the Teachers' Retirement System. In not less than thirty (30) days of such filing, Teachers' Retirement will acknowledge receipt and notify all parties listed in the order that the order has been accepted or that clarification of the order must be provided to

Teachers' Retirement. All qualified domestic orders filed with the Teachers' Retirement System of Oklahoma must be in accordance with Oklahoma Statutes and must conform to the provisions of 70 O.S., Section 17-109, as amended. TRS Form 110.46 OTRS Qualified Domestic Order is available upon request and its use is recommended.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 25 Ok Reg 2598, eff 7-11-08; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-3. Contents of qualified domestic order~~[REVOKED]~~

For a qualified domestic order to be accepted and binding on the Teachers' Retirement System the order meet the following requirements:

- (1) The order must clearly specify the following:
 - (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 Teachers' Retirement 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, and whether the benefit ceases upon the death or remarriage of the alternate payee, and
 - (E) each plan to which such order applies.
- (2) The order meets the requirements of this section only if such order:
 - (A) does not require Teachers' Retirement to provide any type or form of benefit, or any option not otherwise provided under the state law as related to the Retirement System,
 - (B) does not require Teachers' Retirement to provide increased benefits,
 - (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 subchapter, and
 - (D) does not require payment of benefits to an alternate payee prior to the actual retirement date of the related member or prior to the date the member elects to receive a lump sum distribution of his or her retirement account.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-4. Payment to alternate payee~~[REVOKED]~~

Payments to an alternate payee will be made in a like manner and at the same time payment is made to the member. Payment will be either a lump sum distribution of the contributions and interest due the member upon termination of service or death, or monthly benefit payments under the retirement options available to the member at the time he or she applies for retirement benefits. The alternate payee shall not be allowed to choose a method of payment that is different from the method chosen by the member. The alternate payee may not receive payment of any kind prior to the member making application and becoming eligible for payment of benefits. Federal and Oklahoma state income taxes will be withheld from the payment to an alternate payee in accordance with applicable federal and state statutes.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-5. Termination of a qualified domestic order~~[REVOKED]~~

A qualified domestic order will terminate when Teachers' Retirement has fully met the provisions of the order. The obligation of the Teachers' Retirement System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member. In the event a qualified domestic order requires the benefits payable to an alternate payee to terminate upon the remarriage of the alternate payee, the Retirement System shall terminate said benefit only upon the receipt of a certified copy of a marriage license, or a copy of a certified order issued by the court that originally issued said qualified domestic order declaring the remarriage of said alternate payee. The order may be cancelled or modified by the court that originally issued the order.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]