

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

SENATE BILL NO. 850

BY: LAWLER

AS INTRODUCED

AN ACT RELATING TO SCHOOLS AND STATE GOVERNMENT;

AMENDING 70 O.S. 1991, SECTION 17-116.2 AND 74 O.S. 1991, SECTION 913, WHICH RELATE TO THE TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA AND THE OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM; DELETING CERTAIN OBSOLETE LANGUAGE; CLARIFYING STATUTORY REFERENCES; MODIFYING THE RECEIPT OF CERTAIN PRIOR SERVICE CREDIT; PROVIDING FOR CERTAIN PROCEDURES; PROVIDING FOR THE PAYMENT OF CERTAIN AMOUNTS IN CERTAIN SITUATIONS; PROVIDING FOR THE DELAY IN A MEMBER'S NORMAL RETIREMENT DATE IN CERTAIN SITUATIONS; PROVIDING FOR THE REPAYMENT OF WITHDRAWN CONTRIBUTIONS WITH INTEREST IN CERTAIN SITUATIONS; PROVIDING FOR THE RETURN OF CERTAIN TRANSFERRED CONTRIBUTIONS WITH INTEREST IN CERTAIN SITUATIONS; PROVIDING FOR THE CANCELLATION OF INELIGIBLE SERVICE CREDIT; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 17-116.2, is amended to read as follows:

Section 17-116.2 A. Beginning July 1, 1987, 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, 1990, a classified member who retired prior to July 1, 1989, shall have the member's retirement allowance calculated on the member's current minimum average salary plus Nine Hundred Fifty Dollars (\$950.00). 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, 1990, an unclassified member who retired prior to July 1, 1989, shall have the member's retirement allowance calculated on the member's current minimum average salary plus Four Hundred Seventy-five Dollars (\$475.00). 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.

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

1. Beginning July 1, 1988 through June 30, 1989, five percent (5%) of the regular annual compensation of such member not in excess of the maximum compensation level;

2. Beginning July 1, 1989 through June 30, 1990, five and one-half percent (5 1/2%) of the regular annual compensation of such member not in excess of the maximum compensation level; and

3. Beginning July 1, 1990, six percent (6%) of the regular annual compensation of such member not in excess of the maximum compensation level.

C. The maximum compensation level shall be Twenty-five Thousand Dollars (\$25,000.00). 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 amount specified in paragraphs 1 through 3 of subsection B of this section of the regular annual compensation of such member not in excess of Twenty-five Thousand Dollars (\$25,000.00) and:

1. Beginning July 1, 1988 through June 30, 1989, ten percent (10%) 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);

2. Beginning July 1, 1989 through June 30, 1990, ten and one-half percent (10 1/2%) 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

3. Beginning July 1, 1990, 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). Except as provided in subsection D of this section, any such election shall be irrevocable.

D. 1. Any member, 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 increase the maximum compensation level of the member if the election is made within three (3) years of the member's initial opportunity to make the election. To make the change, the member shall complete a new 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). The required payment shall include any contribution required by the employing school district.

2. Any member, who at the time the member was eligible to make an election to increase the maximum compensation level of the member chose to increase the compensation level of the member to Forty Thousand Dollars (\$40,000.00), may elect to decrease the maximum compensation level of the member to Twenty-five Thousand Dollars (\$25,000.00) if the election is made within three (3) years of the initial election to increase the maximum compensation level. To make the change, the member shall complete a new form and file with the Board of Trustees the form and a request for a refund of contributions made by the member in excess of the contribution

required on a maximum compensation level of Twenty-five Thousand Dollars (\$25,000.00).

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

E. 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 withdrawal shall contribute on the earning ceiling as provided for in this section on his 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 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 as determined by the Board of Trustees. No retirement benefit payments shall be made retroactively.

F. 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 earnable compensation as provided for in subsection B 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 ~~30~~ 17-116.8 of this ~~act~~ 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 in the public schools, American Military Dependent Schools or state colleges or state universities outside this state by paying his contributions, plus interest, and membership fees to the retirement system, subject to the regulations of the Board of Trustees, providing he 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 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 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 annual salary would have been in Oklahoma or out of state, whichever is greater, had he been employed as a teacher. Effective January 1, 1991, the out-of-state noncovered in-state payment shall be the amount determined by the Board of Trustees pursuant to Section ~~30~~ 17-116.8 of this ~~act~~ 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 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 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 contract as a teacher at the time his 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 ~~30 17-116.8~~ of ~~Enrolled Senate Bill No. 810 of the 2nd Session of the 42nd Oklahoma Legislature~~ 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.

G. 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. This paragraph shall apply to members retiring or vesting on or after the effective date of this act and shall not be retroactive.

H. Prior to January 1, 1991, any member who 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 to retain his membership in the Teachers' Retirement System upon payment of the five percent (5%) contribution as provided for in this section and his service credits shall continue to be accumulated during such absence. Effective January 1, 1991, any member who 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 to retain membership in the Retirement System upon payment of the amount determined by the Board of Trustees pursuant

to Section 30 of this act and his service credit shall continue to be accumulated during such absence.

I. Prior to January 1, 1991, 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 membership in the Teachers' Retirement System upon payment of the five percent (5%) contribution as provided for in this section and his service credits shall continue to be accumulated during such absence. Effective January 1, 1991, 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 membership to the Retirement System upon payment of the amount determined by the Board of Trustees pursuant to Section ~~30~~ 17-116.8 of this ~~act~~ title and his service credits shall continue to be accumulated during such absence. Provided, however, any one such absence shall not exceed eight (8) continuous years.

J. A member may receive credit for those years of credited service accumulated by the member while a member of 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 Oklahoma Department of Wildlife 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, effective January 1, 1990, the member shall pay a ten percent (10%) contribution and interest of not to exceed ten percent (10%), as determined by the Board of Trustees and effective January 1, 1991, the member shall pay the amount determined by the Board of Trustees pursuant to Section 30 17-116.8 of this act title. A member may receive credit for those years of credited service while employed by a sub-state planning district, 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, the member must be continuously employed by an employer with responsibility and authority for public education since September 1, 1986, and the member must pay a ten percent (10%) contribution and interest of not to exceed ten percent (10%), as determined by the Board of Trustees.~~

K. An active contributing member may receive credit for those years of participating service as defined by the Teachers' Retirement System of Oklahoma Board of Trustees accumulated by the member while a member of 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. To receive the service credit provided in this subsection, the member shall provide 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. Within one hundred twenty (120) days of notification by said member, the Oklahoma Public Employees Retirement System shall pay to the Teachers' Retirement System of Oklahoma the amount determined by the Board of Trustees of the Teacher's Retirement System of Oklahoma pursuant to Section 17-116.8 of this title. Notwithstanding the provisions of paragraph (24) of Section 17-101, Section 17-105, and subsection A of Section 17-116.2 of this title, the normal

retirement date of a member who makes an election to transfer service credit as provided in this subsection shall not occur unless the member continues to participate as an active contributing member in the Retirement System for at least three (3) full years after the date of the election. If a member who elects to receive the service credit provided in this subsection has withdrawn said member's contributions from the Oklahoma Public Employees Retirement System, the member must remit to the Oklahoma Public Employees Retirement System the amount of the withdrawn contributions and interest of eight percent (8%) compounded annually within sixty (60) days of the date of said election or the election shall be deemed invalid. If a 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 services credited as a result of this transfer shall be canceled. In the event any service credited as a result of this transfer is canceled, all contributions and interest paid the Oklahoma Public Employees Retirement System for said transfer shall be returned to the Oklahoma Public Employees Retirement System. If a member takes advantage of the transfer authorized by this subsection, all service credit with the Oklahoma Public Employee Retirement System which is ineligible for transfer shall be canceled.

~~K.~~ L. 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.

~~L.~~ M. 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.

~~M.~~ N. Any person who has never been a member of the System but who may have been eligible to become a member of the System may receive credit for those years of service during which the person may have been eligible to join the System, upon payment of the five percent (5%) contribution, plus interest, to the System if salary was greater than Two Thousand Dollars (\$2,000.00). The option provided for in this subsection shall be exercised before December 1, 1987.

~~N.~~ 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 as provided in subsection B of this section. 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.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 913, is amended to read as follows:

Section 913. (1) Prior service shall be credited as follows:

(a) A member shall receive full credit for employment with any participating employer prior to the entry date of his employer whether or not continuous and whether or not he was employed with a participating employer on such entry date, provided that any member who has retired before the passage of this act shall not receive retirement benefits retroactively for such prior service. Provided, that at such time that an employer becomes a participating employer

on or after January 1, 1965, and before January 1, 1975, each member and each retirant, upon making proper written application therefor, shall receive prior service credit for service with such employer in the same manner as if such participating employer had been a participating employer on the date first eligible to become a participating employer; and increased benefits attributable to such increased prior service credit shall commence with the next monthly benefit payment due following receipt and approval of such application by the Board of Trustees. No prior service shall be granted, however, for periods of service in which the employee made contributions which he subsequently withdrew, unless he has complied with the provisions of ~~subsection~~ paragraph (5) of Section 917 of this title. The burden of proof regarding prior service shall be with the member and shall be documented in such manner as the Board may direct.

(b) Any member who was employed in an institution of higher learning by a State Board of Regents or who was employed by an Oklahoma school district prior to July 1, 1943, may receive prior service credit under this act for the period of time they were so employed.

(c) Leaves of absence shall not be counted as breaks in continuous employment; however, leaves of absence shall not be credited except that involuntary furloughs established by Office of Personnel Management Rule 6.13, shall be credited.

(d) Any member who served in the Armed Forces of the United States, as defined in ~~subsection~~ paragraph (23) of Section 902 of this title, prior to membership in the Oklahoma Public Employees Retirement System shall be granted prior service credit, not to exceed five (5) years, for those periods of active military service during which he was a war veteran. Such prior military service credit shall not apply to any person receiving military retirement benefits other than service-connected disability benefits

established by either the military service or the Veterans Administration.

(e) An elective state, county, city or town official who is ineligible for membership as a result of any applicable state law or constitutional provision making him ineligible solely because of his being such an official at the time of his eligibility for membership at the time his employer becomes a participating employer shall nevertheless not forfeit the prior service credit to which he would be entitled except for such ineligibility, provided that he either

(i) becomes an employee of a participating employer within four (4) calendar months of the expiration of his term of office current at the time of his eligibility except for his being an elective state or county official, or

(ii) within a period of four (4) years after the expiration of his term of office current at the time of his eligibility except for his being an elective state or county official, is elected as a state or county official and thereupon becomes a member of the System, or

(iii) has completed ten (10) years of credited service as of the date of his eligibility for membership except for his being an elective state or county official.

(f) Beginning July 1, 1965, all employees of the Department of Human Services shall participate in the Oklahoma Public Employees Retirement System to the same extent as other employees of participating employers in such System. Provided, that any employee performing teaching services in the Oklahoma School for the Deaf or the Oklahoma School for the Blind may elect to participate in the Teachers' Retirement System of Oklahoma in lieu of the Oklahoma Public Employees Retirement System; and any other employee at each such institution or any other institution under the jurisdiction of

the Oklahoma Department of Human Services, participating in the Teachers' Retirement System of Oklahoma, may elect to continue to participate in such system in lieu of the Oklahoma Public Employees Retirement System. All employees who shall have participated in the Teachers' Retirement System of Oklahoma and not continuing therein shall have the right to withdraw their membership from the Teachers' Retirement System of Oklahoma on the same terms as other members withdrawing from such System before retirement. Provided, all persons employed at the Oklahoma School for the Blind and Oklahoma School for the Deaf on June 30, 1965, who became subject to the Oklahoma Public Employees Retirement System, on July 1, 1965, shall receive credit for prior service and be eligible for participation, regardless of age.

(g) A member employed as a temporary employee by the State Senate or the House of Representatives for the full duration of a regular legislative session prior to the member's eligibility for membership in the System shall receive six (6) months of prior service credit for each such full regular legislative session if the employee is employed by the State Senate or the House of Representatives as either a full-time or temporary employee for a minimum of six (6) full regular legislative sessions beginning January 1, 1983. For purposes of this subsection, the determination of whether an employee is employed for the full duration of a regular legislative session shall be made by the State Senate if such employee is employed by the State Senate, or by the House of Representatives if such employee is employed by the House of Representatives.

(h) Upon payment of a contribution prior to January 1, 1991, equal to ten percent (10%) of the annual compensation for each year of service purchased pursuant to this paragraph and interest thereon of not to exceed ten percent (10%) per annum to the System, a member of the System shall receive prior service credit for any years of

service the member had with the Oklahoma conservation districts if the member is not receiving or eligible to receive such prior service credit for the same time in any other state or county retirement system authorized by law. Effective January 1, 1991, to receive the service credit, the member shall pay the amount determined by the Board pursuant to Section ~~39~~ 913.5 of this ~~act~~ title.

(2) Participating service shall be credited as follows:

(a) A member shall receive credit for participating service with a participating employer in accordance with the rules and regulations established by the Board; provided, however, that a member who is not a full-time employee shall receive prorated credit for actual hours worked.

(b) Leaves of absence shall not count as a break in continuous employment provided the member leaves his accumulated contribution on deposit with the fund; however, the leaves of absence shall not be credited.

(c) Any member who has served in the Armed Forces of the United States, as defined in ~~subsection~~ paragraph (23) of Section 902 of this title, shall be granted participating service for those periods of active military service during which he was a war veteran provided this service is immediately preceded by a period of employment with a participating employer and is followed by return to employment as an employee with the same or another participating employer within ninety (90) days immediately following discharge from such military service provided the member leaves his accumulated contributions on deposit with the fund.

(d) A period of total disability under the System immediately followed by employment with a participating employer, shall not count as a break in continuous employment; provided, that such periods while not employed shall not be credited except that

involuntary furloughs established by Office of Personnel Management Rule 6.13, shall be credited.

(e) Termination of employment with a participating employer followed by employment with the same or another participating employer within four (4) calendar months shall not constitute a break in continuous employment; provided, that such period while not employed shall not be credited as participating service.

(f) Provided, however, that all employee contributions required by this act made by employees prior to June 30, 1977, will entitle the employee to additional years of participating service in accordance with the following schedule.

Employee accumulated contributions:

| | |
|---------------------------------|---------------------------------|
| More than \$1.00 up to \$500 | = 1 year participating service |
| More than \$500 up to \$1,000 | = 2 years participating service |
| More than \$1,000 up to \$1,500 | = 3 years participating service |
| More than \$1,500 up to \$2,000 | = 4 years participating service |
| More than \$2,000 | = 5 years participating service |

In no event shall the employee be entitled to more than five (5) additional years of participating service as provided hereunder.

Provided further, that upon termination of employment prior to retirement, the accumulated contributions will be credited as above indicated to establish a vested benefit if so elected by any such employee.

(g) The total participating service credit of a member who retires or terminates employment and elects a vested benefit shall include not to exceed one hundred thirty (130) days of unused sick leave accumulated subsequent to August 1, 1959, during the member's employment with any participating employer. Such credit shall be added in terms of whole months. Twenty (20) days of unused sick leave shall equal one (1) month for purposes of participating service credit. If unused sick leave entitles a member to an additional year of service credit, the member's employer shall

reimburse the System for the cost of funding the additional reserve. Each participating employer shall provide the System with adequate and timely information necessary to determine additional benefits and its cost under this paragraph. This paragraph shall apply to members retiring or vesting on or after July 1, 1984, and shall not be retroactive.

(3) In determining the number of years of credited service, a fractional year of six (6) months or more shall be considered as one (1) year, and less than six (6) months shall be disregarded.

(4) A member may receive credit for those years of credited service accumulated by the member while a member of 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 Teachers' Retirement System of Oklahoma, 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, the member shall pay ~~a five percent (5%) contribution and interest of not to exceed five percent (5%) as may be required by the Board for each year of service transferred pursuant to this subsection; provided, however, effective January 1, 1990, the rate of contribution provided herein shall be ten percent (10%) and the rate of interest shall not exceed ten percent (10%), as determined by the Board, and effective January 1, 1991, to receive the service credit, the member shall pay~~ the amount determined by the Board pursuant to Section ~~39~~ 913.5 of this ~~act~~ title.

(5) An active participating member may receive credit for those years of membership service as defined by the Oklahoma Public Employees Retirement System Board of Trustees accumulated by the member while a member of the Teachers' Retirement System of Oklahoma 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 paragraph, the member shall provide notice to the Teachers' Retirement System of Oklahoma and the Oklahoma Public Employees Retirement System of the member's election to transfer said service credit. Within one hundred twenty (120) days of notification by said member, the Teachers' Retirement System of Oklahoma shall pay to the Oklahoma Public Employees Retirement System the amount determined by the Oklahoma Public Employees Retirement System Board of Trustees pursuant to Section 913.5 of this title. Notwithstanding the provisions of paragraph (24) of Section 902, paragraphs (1) and (5) of Section 914, and subsection B of Section 915 of this title, the retirement date of a member who makes an election to transfer retirement credit as provided in this subsection shall not occur unless the member continues to participate in the System for at least three (3) full years after the date of the election. If a member who elects to receive the retirement credit from said service provided in this paragraph has withdrawn said member's contributions from the Teachers' Retirement System of Oklahoma, the member must remit to the Teachers' Retirement System of Oklahoma the amount of the withdrawn contributions and interest of eight percent (8%) compounded annually within sixty (60) days of the date of said election or the election shall be deemed invalid. If a member fails for any reason to satisfy the requirements of this paragraph, 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. In the event any service credited as a result of this transfer is canceled, all contributions and interest paid the Teachers' Retirement System of Oklahoma for said transfer shall be returned to the Teachers' Retirement System of Oklahoma. If a member takes advantage of the transfer authorized by this paragraph,

all service credit with the Teachers' Retirement System of Oklahoma which is ineligible for transfer shall be canceled.

~~(5)~~ (6) A member may receive credit for those years of service accumulated by the member as an elected official if the member is not receiving or eligible to receive retirement credit or benefits from said service in any public retirement system. Prior to January 1, 1991, to receive the service credit, the member shall pay to the Board for each year of service purchased pursuant to this subsection a sum equal to the employee and employer contribution rate that would have been applicable to the member as determined by the Board and interest of not to exceed five percent (5%), and effective January 1, 1991, to receive the service credit, the member shall pay the amount determined by the Board pursuant to Section ~~39~~ 913.5 of this ~~act~~ title.

SECTION 3. This act shall become effective July 1, 1992.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-2-1518

REJ