

1 ENGROSSED HOUSE
2 BILL NO. 1935

By: Watson and Cannaday of the
House

3 and

4 Stanislawski of the Senate

5
6
7
8 (Teachers' Retirement System of Oklahoma -
9 amending Sections of Title 70 - private letter
10 ruling - member contributions - retirement
11 option - references to executive secretary -
12 confidentiality - effective date -
13 emergency)

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15
16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. AMENDATORY 70 O.S. 2001, Section 17-103, as
18 last amended by Section 10, Chapter 385, O.S.L. 2004 (70 O.S. Supp.
19 2008, Section 17-103), is amended to read as follows:

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

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

1 (2) All full-time nonclassified optional personnel regularly
2 employed for more than one (1) year may join the Teachers'
3 Retirement System subject to the rules and regulations adopted
4 pursuant to this act. Subject to the outcome of a the private
5 letter ruling request ~~which shall be~~ (2003) submitted by the Board
6 to the Internal Revenue Service (2001), the System shall permit
7 ~~full-time~~ eligible nonclassified optional personnel who have ceased
8 to make otherwise required employee contributions after having made
9 an election to become a member of the retirement system to resume
10 employee contributions. No service shall be credited to any such
11 member for any period of time during which employee contributions
12 were not made;

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

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

20 (5) The Board of Trustees may, in its discretion, deny the
21 right to become members to any class of members whose compensation
22 is only partly paid by the state, or who is serving on a temporary
23 or other than per annum basis, and it also may, in its discretion,
24

1 make optional with members in any such class their individual
2 entrance into the retirement system; and

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

13 SECTION 2. AMENDATORY 70 O.S. 2001, Section 17-105, as
14 last amended by Section 17, Chapter 536, O.S.L. 2004 (70 O.S. Supp.
15 2008, Section 17-105), is amended to read as follows:

16 Section 17-105. (1) (a) Any member who has attained age
17 fifty-five (55) or who has completed thirty (30) years of creditable
18 service, as defined in Section 17-101 of this title, or for any
19 person who initially became a member prior to July 1, 1992,
20 regardless of whether there were breaks in service after July 1,
21 1992, whose age and number of years of creditable service total
22 eighty (80) may be retired upon filing a written application for
23 such retirement. Such a retirement date will also apply to any
24 person who became a member of the sending system as defined in this

1 act, prior to July 1, 1992, regardless of whether there were breaks
2 in service after July 1, 1992. Any person who became a member after
3 June 30, 1992, whose age and number of years of creditable service
4 total ninety (90) may be retired upon filing a written application
5 for such retirement. The application shall be filed on the form
6 provided by the Board of Trustees for this purpose, not less than
7 thirty (30) days nor more than ninety (90) days before the date of
8 retirement.

9 (b) An individual who becomes a member of the Teachers'
10 Retirement System after July 1, 1967, shall be employed by the
11 public schools, state colleges or universities of Oklahoma for a
12 minimum of five (5) years and be a contributing member of the
13 Teachers' Retirement System of Oklahoma for a minimum of five (5)
14 years to qualify for monthly retirement benefits from the Teachers'
15 Retirement System of Oklahoma.

16 (c) Any member with five (5) or more years of Oklahoma teaching
17 service and whose accumulated contributions during such period have
18 not been withdrawn shall be given an indefinite extension of
19 membership beginning with the sixth year following his or her last
20 contributing membership and shall become eligible to apply for
21 retirement and be retired upon attaining age fifty-five (55).

22 ~~(d) Members currently teaching in the public schools of~~
23 ~~Oklahoma past the fiscal year during which age seventy (70) was~~
24 ~~attained and who have not retired shall be granted the privilege of~~

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

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

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

20 Any individual regardless of residence, who has a minimum of ten
21 (10) years of teaching in Oklahoma schools prior to July 1, 1943, or
22 who taught in Oklahoma schools prior to 1934 and thereafter taught a
23 minimum of ten (10) years and who does not qualify under the present
24 retirement System, or who has a minimum of thirty (30) years of

1 teaching in Oklahoma schools and has reached seventy (70) years of
2 age prior to July 1, 1984, and is not otherwise eligible to receive
3 any benefits from the retirement system shall receive a minimum of
4 One Hundred Fifty Dollars (\$150.00) per month in retirement benefits
5 from the Teachers' Retirement System of Oklahoma plus any general
6 increase in benefits for annuitants as may be provided hereafter by
7 the Legislature. Each individual must apply to the Teachers'
8 Retirement System for such benefit and provide evidence to the
9 Teachers' Retirement System that the service was actually rendered.
10 The surviving spouse of any person who made application for the
11 benefit provided for by this paragraph during his or her lifetime
12 but did not receive said benefit may submit an application to the
13 System for payment of said benefit for those months during the
14 lifetime of the deceased person that he or she was eligible for but
15 did not receive the benefit. Upon approval of the application by
16 the Board of Trustees, the benefit shall be paid to the surviving
17 spouse in one lump sum.

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

21 (5) Upon application of a member who is actively engaged in
22 teaching in Oklahoma or his or her employer, any member who has been
23 a contributing member for ten (10) years may be retired by the Board
24 of Trustees not less than thirty (30) days nor more than ninety (90)

1 days subsequent to the execution and filing thereof, on a disability
2 retirement allowance, provided that it is found by the Board of
3 Trustees after medical examination of such member by a duly
4 qualified physician that such member is mentally or physically
5 incapacitated for further performance of duty, that such incapacity
6 is likely to be permanent, and that such member should be retired.
7 The Board of Trustees shall give due consideration to the
8 conclusions and recommendations in the certified written report of
9 the Medical Board of the Teachers' Retirement System regarding the
10 disability application of such member. If a member is determined to
11 be eligible for disability benefits pursuant to the Social Security
12 System, then such determination shall entitle the member to the
13 authorized disability retirement allowance provided by law. For
14 members who are not eligible for disability benefits pursuant to the
15 Social Security System, the Board of Trustees shall apply the same
16 standard for which provision is made in the first two sentences of
17 this subsection for determining the eligibility of a person for such
18 disability benefits in making a determination of eligibility for
19 disability benefits as authorized by this subsection.

20 (6) (a) A member who at the time of retirement has been found
21 to be permanently physically or mentally incapacitated to teach
22 school shall receive a minimum monthly retirement payment for life
23 or until such time as the member may be found to be recovered to the
24 point where he or she may return to teaching. Any member retired

1 before July 1, 1992 shall be eligible to receive the monthly
2 retirement allowance herein provided, but such payment shall not
3 begin until the first payment due him or her after July 1, 1992, and
4 shall not be retroactive. The Board of Trustees is empowered to
5 make such rules and regulations as it considers proper to preserve
6 equity in retirements under this provision, which shall include a
7 provision to protect the rights of the member's spouse.

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

23 (c) Once each year the Board of Trustees may require any
24 disabled annuitant who has not yet attained the age of sixty (60)

1 years to undergo a medical examination, such examination to be made
2 at the place of residence for said disabled annuitant or other place
3 mutually agreed upon by a physician or physicians designated by the
4 Board of Trustees. Should any disabled annuitant who has not yet
5 attained the age of sixty (60) years refuse to submit to at least
6 one medical examination in any such year by a physician or
7 physicians designated by the Board of Trustees his or her allowance
8 may be discontinued until he or she submits to such examination.

9 (d) Should the Medical Board report and certify to the Board of
10 Trustees that such disabled annuitant is engaged in or is able to
11 engage in a gainful occupation paying more than the difference
12 between his or her retirement allowance and the average final
13 compensation, and should the Board of Trustees concur in such report
14 then the amount of his or her pension shall be reduced to an amount
15 which, together with his or her retirement allowance and that amount
16 earnable by him or her, shall equal the amount of his or her average
17 final compensation. Should his or her earning capacity be later
18 increased, the amount of his or her pension may be further modified,
19 provided the new pension shall not exceed that amount of the pension
20 originally granted nor an amount, which when added to the amount
21 earnable by the member, together with his or her annuity, equals the
22 amount of his or her average final compensation.

23 (e) Should a disabled annuitant be restored to active service,
24 his or her disability retirement allowance shall cease and he or she

1 shall again become a member of the Teachers' Retirement System and
2 shall make regular contributions as required under this article.

3 The unused portion of his or her accumulated contributions shall be
4 reestablished to his or her credit in the Teachers' Savings Fund.

5 Any such prior service certificates on the basis of which his or her
6 service was computed at the time of his or her retirement shall be
7 restored to full force and effect.

8 (7) Should a member before retirement under Section 1-101 et
9 seq. of this title make application for withdrawal duly filed with
10 the Board of Trustees and approved by it, not earlier than four (4)
11 months after the date of termination of such service as a teacher,
12 the contribution standing to the credit of his or her individual
13 account in the Teachers' Savings Fund shall be paid to him or her
14 or, in the event of his or her death before retirement, shall be
15 paid to such person or persons as he or she shall have nominated by
16 written designation, duly executed and filed with the Board of
17 Trustees; provided, however, if there be no designated beneficiary
18 surviving upon such death, such contributions shall be paid to his
19 or her administrators, executors, or assigns, together with interest
20 as hereinafter provided. In lieu of a lump-sum settlement at the
21 death of the member, the amount of money the member has on deposit
22 in the Teachers' Savings Fund and the money the member has on
23 deposit in the Teachers' Deposit Fund may be paid in monthly
24 payments to a designated beneficiary, who must be the spouse, under

1 the Maximum or Option 1 Plan of Retirement providing the monthly
2 payment shall be not less than Twenty-five Dollars (\$25.00) per
3 month. The monthly payment shall be the actuarial equivalent of the
4 amount becoming due at the member's death based on the sex of the
5 spouse and the age the spouse has attained at the last birthday
6 prior to the member's death. Provided further, if there be no
7 designated beneficiary surviving upon such death, and the
8 contributions standing to the credit of such member do not exceed
9 Two Hundred Dollars (\$200.00), no part of such contributions shall
10 be subject to the payment of any expense of the last illness or
11 funeral of the deceased member or any expense of administration of
12 the estate of such deceased and the Board of Trustees, upon
13 satisfactory proof of the death of such member and of the name or
14 names of the person or persons who would be entitled to receive such
15 contributions under the laws of descent and distribution of the
16 state, may authorize the payment of accumulated contributions to
17 such person or persons. A member terminating his or her membership
18 by withdrawal after June 30, 2003, shall have the interest computed
19 at a rate of interest determined by the Board of Trustees and paid
20 to him or her subject to the following schedule:

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

24

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

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

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

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

12 (8) (a) In lieu of his or her retirement allowance payable
13 throughout life for such an amount as determined under this section,
14 the member may select a retirement allowance for a reduced amount
15 payable under any of the following options the present value of
16 which is the actuarial equivalent thereof.

17 (b) A member may select the option under which he or she
18 desires to retire at the end of the school year in which he or she
19 attains age seventy (70) and said option shall be binding and cannot
20 be changed. Provided further that if a member retires before age
21 seventy (70), no election of an option shall be effective in case an
22 annuitant dies before the first payment due under such option has
23 been received.

24

1 (c) The first payment of any benefit selected shall be made on
2 the first day of the month following approval of the retirement by
3 the Board of Trustees. If the named designated beneficiary under
4 Option 2 or 3 dies at any time after the member's retirement date,
5 but before the death of the member, the member shall return to the
6 retirement benefit, including any post retirement benefit increases
7 the member would have received had the member not selected Option 2
8 or 3 of this subsection. The benefit shall be determined at the
9 date of death of the designated beneficiary or July 1, 1994,
10 whichever is later. This increase shall become effective the first
11 day of the month following the date of death of the designated
12 beneficiary or July 1, 1994, whichever is later, and shall be
13 payable for the member's remaining lifetime. The member shall
14 notify the Teachers' Retirement System of Oklahoma of the death of
15 the designated beneficiary in writing. In the absence of said
16 written notice being filed by the member notifying the Teachers'
17 Retirement System of Oklahoma of the death of the designated
18 beneficiary within six (6) months of the date of death, nothing in
19 this subsection shall require the Teachers' Retirement System of
20 Oklahoma to pay more than six (6) months of retrospective benefits
21 increase.

22 Option 1. If he or she dies before he or she has received in
23 annuity payments the present value of his or her annuity as it was
24 at the time of his or her retirement, the balance shall be paid to

1 his or her legal representatives or to such person as he or she
2 shall nominate by written designation duly acknowledged and filed
3 with the Board of Trustees at the time of his or her retirement; or

4 Option 2. A member takes a reduced retirement allowance for
5 life. Upon the death of the member the payments shall continue to
6 the member's designated beneficiary for the life of the beneficiary.
7 The written designation of the beneficiary must be duly acknowledged
8 and filed with the Board of Trustees at the time of the member's
9 retirement and cannot be changed after the effective date of the
10 member's retirement; or

11 Option 3. A member receives a reduced retirement allowance for
12 life. Upon the death of the member one-half (1/2) of the retirement
13 allowance paid the member shall be continued throughout the life of
14 the designated beneficiary. A written designation of a beneficiary
15 must be duly acknowledged and filed with the Board of Trustees at
16 the time of the member's retirement and cannot be changed after the
17 effective date of the member's retirement; or

18 Option 4. Some other benefit or benefits shall be paid either
19 to the member or to such person or persons as he or she shall
20 nominate, provided such other benefit or benefits, together with the
21 reduced retirement allowance, shall be certified by the actuary to
22 be of equivalent actuarial value to his or her retirement allowance
23 and shall be approved by the Board of Trustees; ~~or~~

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

9 (d) Provided that Option 2 and Option 3 shall not be available
10 if the member's expected benefit is less than fifty percent (50%) of
11 the lump-sum actuarial equivalent and the designated beneficiary is
12 not the spouse of the member.

13 (9) The governing board of any "public school", as that term is
14 defined in Section 17-101 of this title, is hereby authorized and
15 empowered to pay additional retirement allowances or compensation to
16 any person who was in the employ of such public school for not less
17 than seven (7) school years preceding the date of his or her
18 retirement. Payments so made shall be a proper charge against the
19 current appropriation or appropriations of any such public school
20 for salaries for the fiscal year in which such payments are made.
21 Such payments shall be made in regular monthly installments in such
22 amounts as the governing board of any such public school, in its
23 judgment, shall determine to be reasonable and appropriate in view
24 of the length and type of service rendered by any such person to

1 such public school by which such person was employed at the time of
2 retirement. All such additional payments shall be uniform, based
3 upon the length of service and the type of services performed, to
4 persons formerly employed by such public school who have retired or
5 been retired in accordance with the provisions of Section 1-101 et
6 seq. of this title.

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

11 (10) In addition to the teachers' retirement herein provided,
12 teachers may voluntarily avail themselves of the Federal Social
13 Security Program upon a district basis.

14 (11) Upon the death of an in-service member, the System shall
15 pay to the designated beneficiary of the member or, if there is no
16 designated beneficiary or if the designated beneficiary predeceases
17 the member, to the estate of the member, the sum of Eighteen
18 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the
19 deceased member had ten (10) years or more of creditable service and
20 the death occurred after February 1, 1985, the member's designated
21 beneficiary may elect to receive the retirement benefit to which the
22 deceased member would have been entitled at the time of death under
23 the Option 2 plan of retirement in lieu of the death benefit
24 provided for in this subsection. Provided further, the option

1 provided in this subsection is only available when the member has
2 designated one individual as the designated beneficiary.

3 (12) Upon the death of an annuitant who has contributed to the
4 System, the retirement system shall pay to the designated
5 beneficiary of the annuitant or, if there is no designated
6 beneficiary or if the designated beneficiary predeceases the
7 annuitant, to the estate of the annuitant, the sum of Five Thousand
8 Dollars (\$5,000.00) as a death benefit. The benefit payable
9 pursuant to this subsection shall be deemed, for purposes of federal
10 income taxation, as life insurance proceeds and not as a death
11 benefit if the Internal Revenue Service approves this provision
12 pursuant to a private letter ruling request which shall be submitted
13 by the board of trustees of the System for that purpose.

14 (13) Upon the death of a member who dies leaving no living
15 beneficiary or having designated his or her estate as beneficiary,
16 the System may pay any applicable death benefit, unpaid
17 contributions, or unpaid benefit which may be subject to probate, in
18 an amount of Five Thousand Dollars (\$5,000.00) or less, without the
19 intervention of the probate court or probate procedure pursuant to
20 Section 1 et seq. of Title 58 of the Oklahoma Statutes.

21 (a) Before any applicable probate procedure may be waived, the
22 System must be in receipt of the member's proof of death and the
23 following documents from those persons claiming to be the legal
24 heirs of the deceased member:

- 1 1. The member's valid last will and testament;
- 2 2. An affidavit or affidavits of heirship which must
- 3 state:
- 4 a. the names and signatures of all claiming heirs to
- 5 the deceased member's estate including the
- 6 claiming heirs' names, relationship to the
- 7 deceased, current addresses and current telephone
- 8 numbers,
- 9 b. a statement or statements by the claiming heirs
- 10 that no application or petition for the
- 11 appointment of a personal representative is
- 12 pending or has been granted in any jurisdiction,
- 13 c. a statement that the value of the deceased
- 14 member's entire estate is subject to probate, and
- 15 that the estate wherever located, less liens and
- 16 encumbrances, does not exceed Five Thousand
- 17 Dollars (\$5,000.00), including the payment of
- 18 benefits or unpaid contributions from the System
- 19 as authorized by this subsection,
- 20 d. a description of the personal property claimed,
- 21 (i.e., death benefit or unpaid contributions or
- 22 both) together with a statement that such
- 23 personal property is subject to probate,
- 24

1 e. a statement by each individual claiming heir
2 identifying the amount of personal property that
3 the heir is claiming from the System, and that
4 the heir has been notified of, is aware of and
5 consents to the identified claims of all the
6 other claiming heirs of the deceased member
7 pending with the System;

8 3. A written agreement or agreements signed by all
9 claiming heirs of the deceased member which provides
10 that the claiming heirs release, discharge and hold
11 harmless the System from any and all liability,
12 obligations and costs which it may incur as a result
13 of making a payment to any of the deceased member's
14 heirs;

15 4. A corroborating affidavit from an individual other
16 than a claiming heir, who was familiar with the
17 affairs of the deceased member;

18 5. Proof that all debts of the deceased member, including
19 payment of last sickness, hospital, medical, death,
20 funeral and burial expenses have been paid or provided
21 for.

22 (b) The Executive Director of the System shall retain complete
23 discretion in determining which requests for probate waiver may be
24 granted or denied, for any reason. Should the System have any

1 question as to the validity of any document presented by the
2 claiming heirs, or as to any statement or assertion contained
3 therein, the probate requirement provided for in Section 1 et seq.
4 of Title 58 of the Oklahoma Statutes, shall not be waived.

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

12 (14) Upon the death of a retired member, the benefit payment
13 for the month in which the retired member died, if not previously
14 paid, shall be made to the beneficiary of the member or to the
15 member's estate if there is no beneficiary. Such benefit payment
16 shall be made in an amount equal to a full monthly benefit payment
17 regardless of the day of the month in which the retired member died.

18 SECTION 3. AMENDATORY 70 O.S. 2001, Section 17-106, is
19 amended to read as follows:

20 Section 17-106. (1) The general administration and
21 responsibility for the proper operation of the retirement system and
22 for making effective the provisions of the act are hereby vested in
23 a Board of Trustees which shall be known as the Board of Trustees
24 and shall be organized immediately after a majority of the trustees

1 provided for in this section shall have qualified and taken the oath
2 of office.

3 (2) The Board shall consist of the following members:

4 (a) The State Superintendent of Public Instruction, ex officio.

5 (b) The Director of State Finance, ex officio.

6 (c) The Director of the Oklahoma Department of Career and
7 Technology Education, ex officio, or his or her designee.

8 (d) One member appointed by the Governor whose initial term of
9 office shall expire on January 14, 1991. The members thereafter
10 appointed by the Governor shall serve a term of office of four (4)
11 years which is coterminous with the term of office of the office of
12 the appointing authority.

13 (e) Two members shall be appointed by the Governor of the State
14 of Oklahoma and approved by the Senate. The two members shall be:

15 1. a representative of a school of higher education in Oklahoma
16 whose term of office shall initially be one (1) year, and 2. a
17 member of the System of the nonclassified optional personnel status
18 whose initial term of office shall be two (2) years. After the ~~said~~
19 initial terms of office the terms of ~~said~~ the members shall be four
20 (4) years.

21 (f) Upon the expiration of the term of office of the
22 stockbroker member of the Board, the Governor shall appoint a member
23 to the Board whose initial term of office shall expire on January
24 14, 1991. The members thereafter appointed by the Governor shall

1 | serve a term of office of four (4) years which is coterminous with
2 | the term of office of the office of the appointing authority.

3 | (g) Upon the expiration of the term of office of the
4 | representative of the insurance industry member of the Board, the
5 | Governor shall appoint a member to the Board whose initial term of
6 | office shall expire on January 14, 1991. The members thereafter
7 | appointed by the Governor shall serve a term of office of four (4)
8 | years which is coterminous with the term of office of the office of
9 | the appointing authority.

10 | (h) Upon the expiration of the term of office of the investment
11 | counselor member of the Board, the Governor shall appoint a member
12 | to the Board whose initial term of office shall expire on January
13 | 14, 1991. The members thereafter appointed by the Governor shall
14 | serve a term of office of four (4) years which is coterminous with
15 | the term of office of the office of the appointing authority.

16 | (i) Upon the expiration of the term of office of the active
17 | classroom teacher member of the Board, the President Pro Tempore of
18 | the Senate shall appoint a member to the Board, who shall be an
19 | active classroom teacher and whose initial term of office shall
20 | expire on January 8, 1991. The members thereafter appointed by the
21 | President Pro Tempore of the Senate shall serve a term of office of
22 | four (4) years.

23 | (j) Upon the expiration of the term of office of the retired
24 | classroom teacher member of the Board, the Speaker of the House of

1 Representatives shall appoint a member to the Board, who shall be a
2 retired member of the System and whose initial term of office shall
3 expire on January 8, 1991. The members thereafter appointed by the
4 Speaker of the House of Representatives shall serve a term of office
5 of four (4) years.

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

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

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

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

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

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

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

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

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

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

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

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

22 (8) Each trustee shall, within ten (10) days after his or her
23 appointment or election, take an oath of office that, so far as it
24 devolves upon him or her, ~~he~~ the trustee will diligently and

1 honestly administer the affairs of the Board of Trustees and that he
2 or she will not knowingly violate or willingly permit to be violated
3 any of the provisions of law applicable to the retirement system.
4 Such oath shall be subscribed to by the member making it, certified
5 by the officer before whom it is taken, and immediately filed in the
6 office of the Secretary of State.

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

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

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

22 (b) membership dues in any statewide association limited to
23 retired educator membership with a minimum membership of one
24

1 thousand (1,000) dues-paying members and for the transmitting of the
2 sums so withheld.

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

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

22 (13) The Board of Trustees shall keep in convenient form such
23 data as shall be necessary for actuarial valuation of the various
24

1 funds of the retirement system and for checking the experience of
2 the system.

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

11 (15) The Board of Trustees shall retain an attorney who is
12 licensed to practice law in this state. The attorney shall serve at
13 the pleasure of the Board of Trustees for such compensation as may
14 be provided by the Board of Trustees. The attorney shall advise the
15 Board of Trustees and perform legal services for the Board of
16 Trustees with respect to any matters properly before the Board of
17 Trustees. When requested by the Board of Trustees, the Attorney
18 General of the state also shall render legal services to the Board
19 of Trustees. In addition to the above, the Board of Trustees may
20 employ hearing examiners to conduct administrative grievance
21 hearings under the provisions of the Oklahoma Administrative
22 Procedures Act, ~~Sections 301 through 325 of Title 75 of the Oklahoma~~
23 ~~Statutes.~~

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

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

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

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

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

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

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1 SECTION 4. AMENDATORY 70 O.S. 2001, Section 17-108, as
2 amended by Section 1, Chapter 354, O.S.L. 2002 (70 O.S. Supp. 2008,
3 Section 17-108), is amended to read as follows:

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

15 B. On an annual basis, the Board of Trustees shall set the
16 contribution rate to be paid by contributing employers as provided
17 in subsection A of this section. The contribution rate shall be
18 determined using cost principles established by federal regulations
19 and shall be consistent with policies, regulations and procedures
20 that apply uniformly to both federally assisted and other
21 activities, and be accorded consistent treatment through application
22 of generally accepted accounting principles. The Board shall
23 approve the contribution rate for each fiscal year ending June 30,
24 no later than April 1 of the previous fiscal year.

1 C. All the assets of the retirement system shall be credited
2 according to the purpose for which they are held to one of ten
3 funds, namely: The Teachers' Savings Fund, the Retirement Benefit
4 Fund, the Interest Fund, the Permanent Retirement Fund, the Expense
5 Fund, the Suspense Fund, the Reserve for Investment Fluctuations
6 Fund, the Teachers' Deposit Fund, the Membership Annuity Reserve
7 Fund and the Retiree Medical Benefit Fund.

8 1. The Teachers' Savings Fund shall be a fund in which shall be
9 accumulated the regular contributions from the compensation of
10 members, including interest earnings prior to July 1, 1968.

11 Contributions to and payments from the Teachers' Savings Fund shall
12 be made as specifically provided in each plan available within the
13 retirement system.

14 2. The deductions provided for in the plans within the
15 retirement system shall be made notwithstanding that the minimum
16 compensation provided for any member shall be reduced thereby.
17 Every member shall be deemed to consent and agree to the deductions
18 made and provided for herein and payment of salary or compensation,
19 less ~~said~~ the deduction, shall be a full and complete discharge and
20 acquittance of all claims and demands whatsoever for the services
21 rendered by such person during the period covered by such payment,
22 except as to the benefits provided under this act. The employer
23 shall certify to the Board of Trustees on each and every payroll, or
24 in such other manner as ~~said~~ the Board may prescribe, the amounts to

1 be deducted, and each of ~~said~~ the amounts shall be deducted, and
2 when deducted shall be paid into ~~said~~ the Teachers' Savings Fund,
3 and shall be credited to the individual account of the member from
4 whose compensation ~~said~~ the deduction was made.

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

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

23 5. Retirement Benefit Fund.

24

- 1 a. After August 2, 1969, there shall be transferred from
2 the Teachers' Savings Fund and the Membership Annuity
3 Reserve Fund for those members drawing retirement
4 benefits from the Teachers' Retirement System of
5 Oklahoma an amount necessary to provide the monthly
6 annuity payments and pension payments. In addition
7 the fund shall consist of monies received from any
8 state dedicated revenue, monies received from state
9 appropriations, monies received from federal matching
10 funds, and the residue of the interest on investments
11 after the requirements of Section 17-107 of this title
12 have been fully met. The Retirement Benefit Fund
13 shall consist of an amount of money necessary for the
14 making of retirement payments to retirees.
- 15 b. Should a member have deposits in the Teachers' Deposit
16 Fund or the Tax-Sheltered Annuity Fund and wish to
17 receive monthly retirement benefits on such deposits,
18 the actuarial equivalent of a two-year period and each
19 succeeding fiscal year thereafter shall be transferred
20 to the Retirement Benefit Fund. The member may choose
21 any of the plans available in the Teachers' Retirement
22 Act as a method of receiving monthly retirement
23 benefits on the money he has on deposit in the
24 Teachers' Deposit Fund or the Tax-Sheltered Annuity

1 Fund. The monthly retirement benefits paid from the
2 Teachers' Deposit Fund or the Tax-Sheltered Annuity
3 Fund shall be in addition to the regular retirement
4 benefits and the money transferred from the Teachers'
5 Deposit Fund or Tax-Sheltered Annuity Fund shall not
6 be matched by the State of Oklahoma.

7 c. From the Retirement Benefit Fund shall be paid all
8 monthly retirement benefits.

9 d. At the death of a retired member who has retired under
10 the Maximum Plan of Retirement, Option 1 or Option 4,
11 the balance of money the member has in the Teachers'
12 Savings Fund shall be transferred to the Retirement
13 Benefit Fund and the amount due the beneficiary or his
14 or her estate under Option 1 or Option 4 shall be paid
15 from the Retirement Benefit Fund.

16 e. At the death of both a retired member and the retired
17 member's spouse, who had retired under Option 2 or 3,
18 any balance in the Teachers' Savings Fund shall be
19 transferred from the Teachers' Savings Fund to the
20 Retirement Benefit Fund.

21 f. At the death of a retired member who had retired under
22 Option 5, the balance of any monies the member had in
23 the Teachers' Savings Fund shall be transferred to the
24 Retirement Benefit Fund for the purpose of making a

1 lump-sum settlement to the beneficiary or his estate.
2 Providing that if the surviving spouse elects to
3 receive the balance under the Maximum Plan of
4 Retirement or Option 1 the member's money, if any, on
5 a monthly basis, constituting actuarial equivalent of
6 two (2) years' payments, and each year thereafter the
7 annual actuarial equivalent, shall be transferred from
8 the Teachers' Savings Fund for the purpose of paying
9 monthly retirement benefits to the spouse under this
10 option.

11 6. The Interest Fund is hereby created to facilitate the
12 crediting of interest to the various other funds to which interest
13 is to be credited. All income, interest and dividends derived from
14 the deposits and investments authorized by this act shall be paid
15 into the Interest Fund. On June 30, each year, interest shall be
16 transferred to the other funds as herein provided.

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

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

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

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

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

18 10. The Reserve for Investment Fluctuations Fund shall be the
19 fund in which eight percent (8%) of the investment earnings and the
20 realized profits from the sale or exchange of securities shall be
21 deposited each year until an amount equal to two percent (2%) of the
22 total investments shall be accumulated, and such fund shall
23 thereafter be maintained at such level. Upon proper resolution by
24 the Board of Trustees transfers may be made from this fund to

1 reimburse the investment account of other funds wherein a deficit
2 shall have accrued.

3 11. Teachers' Deposit Fund.

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

19 12. The Membership Annuity Reserve Fund is composed of
20 teachers' contributions and state matching funds for those members
21 who retired before August 2, 1968. From this fund there shall be
22 transferred the actuarial equivalent necessary to pay retirement
23 benefits for a period of two (2) years and thereafter the actuarial
24

1 equivalent necessary to pay retirement benefits for one (1)
2 succeeding year.

3 13. Collection of Contributions.

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

6 (1) Each employer shall cause to be deducted on each
7 and every payroll or claim of a member for each
8 and every payroll claim period subsequent to the
9 date of establishment of the retirement system
10 the contribution payable by such member as
11 provided in this act. With each and every
12 payroll or claim the employer shall deliver to
13 the treasurer of ~~said~~ the employer warrants
14 issued to the employees as shown to be due by
15 ~~said~~ the payroll or claim, together with a
16 warrant or warrants in favor of the Teachers'
17 Retirement System as shown by ~~said~~ the payroll or
18 claim.

19 (2) The treasurer or disbursing officer upon delivery
20 of the warrants and a true copy of the payroll or
21 claims as provided above shall register ~~said~~ the
22 warrants as provided for the registration of
23 other school warrants, and shall deliver to the
24 employer warrants issued in favor of the

1 employees, and shall deliver warrants issued in
2 favor of the Teachers' Retirement System and the
3 copy of the payroll or claims to the school
4 district superintendent as designated by the
5 Board of Trustees. For the purpose of collecting
6 contributions of teachers in the public schools,
7 the superintendent of a school district is hereby
8 designated to receive the Teachers' Retirement
9 warrants from the treasurer or proper disbursing
10 officer of the several school districts for the
11 purpose of transmitting such warrants and payroll
12 or claims to the Executive ~~Secretary~~ Director of
13 the Teachers' Retirement System of the State of
14 Oklahoma. Any college or university or other
15 educational institution or agency operated in
16 whole or in part by the state shall have the
17 amount retained or deducted from the funds
18 regularly appropriated by the state for the
19 current maintenance for such educational
20 departments and institutions.

- 21 (3) For the purpose of enabling the collection of the
22 contributions of the members of the retirement
23 system to be made as simple as possible, the
24 Board of Trustees shall require the secretary or

1 other officer of each employer-board or agency,
2 within thirty (30) days after the beginning of
3 each school year, to make a list of all teachers
4 in its employ who are members of the retirement
5 system, certify to the correctness of this list,
6 and file the same with the Executive ~~Secretary~~
7 Director of the Board of Trustees of the
8 Teachers' Retirement System. If additions to or
9 deductions from this list should be made during
10 the year such additions or deductions shall
11 likewise be certified to the Board of Trustees of
12 the Teachers' Retirement System.

- 13 (4) The State Treasurer shall furnish annually to the
14 Board of Trustees a sworn statement of the amount
15 of the funds in his or her custody belonging to
16 the retirement system. The records of the Board
17 of Trustees shall be open to public inspection
18 and any member of the retirement system shall be
19 furnished with a statement of the amount of the
20 credit to his or her individual account upon
21 written request by such member, provided the
22 Board of Trustees shall not be required to answer
23 more than one such request of a member in any one
24 (1) year.

1 (5) Failure of any superintendent, officer, or other
2 person to discharge the duties imposed upon him
3 or her by this act shall render him or her or his
4 or her bondsman liable for any loss occasioned
5 thereby to the Teachers' Retirement System or the
6 employees of the school district, or both.

7 (6) On a showing by the Teachers' Retirement System
8 that a warrant, voucher or check issued to it
9 has, for any reason, been lost or never received,
10 after ninety (90) days from the date of issue or
11 from transmittal for payment, it shall be the
12 duty of the issuing authority forthwith, without
13 any indemnifying bond or other requirements, to
14 issue a duplicate thereof in lieu of that which
15 was lost, to the Teachers' Retirement System; and
16 the Teachers' Retirement System shall save
17 harmless any school district or agency of state
18 government making payment under the provisions
19 hereof to the State Teachers' Retirement System
20 if the original warrant, voucher or check is
21 later presented for payment and same is paid
22 after a duplicate warrant, voucher or check has
23 been issued and paid to the Teachers' Retirement
24

1 System, and any loss sustained therefrom shall be
2 charged to the Interest Fund.

3 14. Rollover Contributions and Direct Trustee-to-Trustee
4 Transfers from Other Plans.

5 Any member may purchase credit for service, to the extent
6 specified in this title, with rollovers from an eligible retirement
7 plan as defined by the Internal Revenue Code of 1986, as amended
8 from time to time. A member may also purchase permissive service
9 credit, as defined by Code Section 415(n)(3)(A), with a direct
10 trustee-to-trustee transfer from a governmental Code Section 403(b)
11 plan or governmental Code Section 457(b) plan. All rollovers and
12 direct trustee-to-trustee transfers shall be allowed to the extent
13 permitted by federal law. Rollovers or direct transfers in excess
14 of the amount necessary to purchase such service credit shall not be
15 allowed.

16 15. Retiree Medical Benefit Fund.

17 The Retiree Medical Benefit Fund shall be maintained as a
18 subaccount under the Retirement Benefit Fund. The Retiree Medical
19 Benefit Fund is composed of all assets contributed to this
20 subaccount to pay the retirement system's portion of the monthly
21 retiree health insurance benefits described in Section 1316.3 of
22 Title 74 of the Oklahoma Statutes. All allocated assets and the
23 earnings thereon in the Retiree Medical Benefit Fund shall be held
24 for the exclusive purpose of providing retiree medical benefits

1 pursuant to Section 1316.3 of Title 74 of the Oklahoma Statutes.
2 The Retiree Medical Benefit Fund shall be administered in accordance
3 with the requirements under Section 401(h) of the Internal Revenue
4 Code of 1986, as amended from time to time. An amount necessary to
5 pay the health insurance premiums for retired members as provided by
6 Section 1316.3 of Title 74 of the Oklahoma Statutes shall be
7 deposited each month into the Retiree Medical Benefit Fund.

8 SECTION 5. AMENDATORY 70 O.S. 2001, Section 17-109.1, is
9 amended to read as follows:

10 Section 17-109.1 ~~Except for the member's name, age, amount of~~
11 ~~contributions paid in, benefits being paid, amount of credited~~
12 ~~service and any documents verifying credited service or benefits,~~
13 ~~all~~ All information, documents and copies thereof contained in a
14 member's retirement file shall be given confidential treatment and
15 shall not be made public by the System without the prior written
16 consent of the member to which it pertains, but shall be subject to
17 subpoena or court order with the exception of the member's name,
18 age, amount of contributions paid in, benefits being paid, amount of
19 credited service and any documents verifying credits, service, or
20 benefits is subject to public knowledge.

21 SECTION 6. AMENDATORY 70 O.S. 2001, Section 17-111, is
22 amended to read as follows:

23 Section 17-111. The Treasurer of the State of Oklahoma shall
24 upon becoming custodian of the Teachers' Retirement Fund, give a

1 bond in the sum of Fifty Thousand Dollars (\$50,000.00); the
2 Executive ~~Secretary~~ Director shall give bond in the sum of
3 Twenty-five Thousand Dollars (\$25,000.00); and the Board of Trustees
4 shall require any other employees and members of the Board of
5 Trustees to give bond in such amounts as the Board may deem
6 necessary, conditioned that said bonded persons will faithfully
7 execute the duties of the respective offices. All bonds shall be
8 made with a good and solvent surety company, authorized to do
9 business in the State of Oklahoma; said bonds shall be made payable
10 to the Board of Trustees and shall be approved by it and the
11 Attorney General of Oklahoma. All expense necessary and incident to
12 the execution of such bonds, including premiums thereon, shall be
13 paid by the Board of Trustees from the Expense Fund.

14 SECTION 7. AMENDATORY 70 O.S. 2001, Section 17-114.2, is
15 amended to read as follows:

16 Section 17-114.2 The executive ~~secretary~~ director, assistant
17 executive ~~secretary~~ director and secretary-treasurer of the system
18 shall be unclassified positions. Twenty-two (22)
19 full-time-equivalent employees of the system shall be unclassified
20 administrative assistants.

21 SECTION 8. This act shall become effective July 1, 2009.

22 SECTION 9. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 Passed the House of Representatives the 11th day of March, 2009.

4

5

6 Presiding Officer of the House of
7 Representatives

8 Passed the Senate the ____ day of _____, 2009.

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Presiding Officer of the Senate

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