

EHB 1935

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

THE STATE SENATE
Monday, April 6, 2009

ENGROSSED
House Bill No. 1935
As Amended

ENGROSSED HOUSE BILL NO. 1935 - By: Watson and Cannaday of the House and Stanislawski of the Senate.

[Teachers' Retirement System of Oklahoma - amending Sections of Title 70 - private letter ruling - member contributions - retirement option - references to executive secretary - confidentiality - effective date - emergency]

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

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

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

- (1) All classified personnel shall become members of the retirement system as a condition of their employment;
- (2) All full-time nonclassified optional personnel regularly employed for more than one (1) year may join the Teachers' Retirement System subject to the rules and regulations adopted pursuant to this act. Subject to the outcome of a the private letter ruling request ~~which shall be~~ (2003) submitted by the Board

1 to the Internal Revenue Service (2001), the System shall permit
2 ~~full-time~~ eligible nonclassified optional personnel who have ceased
3 to make otherwise required employee contributions after having made
4 an election to become a member of the retirement system to resume
5 employee contributions. No service shall be credited to any such
6 member for any period of time during which employee contributions
7 were not made;

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

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

15 (5) The Board of Trustees may, in its discretion, deny the
16 right to become members to any class of members whose compensation
17 is only partly paid by the state, or who is serving on a temporary
18 or other than per annum basis, and it also may, in its discretion,
19 make optional with members in any such class their individual
20 entrance into the retirement system; and

21 (6) Should any member, with less than ten (10) years of
22 teaching service in Oklahoma, in any period of six (6) consecutive
23 years after becoming a member be absent from service more than five

1 (5) years, withdraw his contributions, retire or die, he shall
2 thereupon cease to be a member. The provisions of this paragraph
3 shall not apply to any member of the Teachers' Retirement System who
4 has been a member of such classes of military services as may be
5 approved by the Board of Trustees, until a period of one and one-
6 half (1 1/2) years from date of termination of such service shall
7 have elapsed.

8 SECTION 2. AMENDATORY 70 O.S. 2001, Section 17-105, as
9 last amended by Section 17, Chapter 536, O.S.L. 2004 (70 O.S. Supp.
10 2008, Section 17-105), is amended to read as follows:

11 Section 17-105. (1) (a) Any member who has attained age
12 fifty-five (55) or who has completed thirty (30) years of creditable
13 service, as defined in Section 17-101 of this title, or for any
14 person who initially became a member prior to July 1, 1992,
15 regardless of whether there were breaks in service after July 1,
16 1992, whose age and number of years of creditable service total
17 eighty (80) may be retired upon filing a written application for
18 such retirement. Such a retirement date will also apply to any
19 person who became a member of the sending system as defined in this
20 act, prior to July 1, 1992, regardless of whether there were breaks
21 in service after July 1, 1992. Any person who became a member after
22 June 30, 1992, whose age and number of years of creditable service
23 total ninety (90) may be retired upon filing a written application

1 for such retirement. The application shall be filed on the form
2 provided by the Board of Trustees for this purpose, not less than
3 thirty (30) days nor more than ninety (90) days before the date of
4 retirement.

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

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

18 ~~(d) Members currently teaching in the public schools of~~
19 ~~Oklahoma past the fiscal year during which age seventy (70) was~~
20 ~~attained and who have not retired shall be granted the privilege of~~
21 ~~making up the five percent (5%) contributions, plus interest, for~~
22 ~~the years taught after age seventy (70). Such member shall be given~~
23 ~~an indefinite extension of membership and be eligible to retire upon~~

1 ~~the filing of proper application for retirement as hereinbefore~~
2 ~~provided.~~

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

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

17 Any individual regardless of residence, who has a minimum of ten
18 (10) years of teaching in Oklahoma schools prior to July 1, 1943, or
19 who taught in Oklahoma schools prior to 1934 and thereafter taught a
20 minimum of ten (10) years and who does not qualify under the present
21 retirement System, or who has a minimum of thirty (30) years of
22 teaching in Oklahoma schools and has reached seventy (70) years of
23 age prior to July 1, 1984, and is not otherwise eligible to receive

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

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

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

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

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

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

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

1 earnable by the member, together with his or her annuity, equals the
2 amount of his or her average final compensation.

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

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

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

1 at a rate of interest determined by the Board of Trustees and paid
2 to him or her subject to the following schedule:

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

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

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

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

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

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

22 (b) A member may select the option under which he or she
23 desires to retire at the end of the school year in which he or she

1 attains age seventy (70) and said option shall be binding and cannot
2 be changed. Provided further that if a member retires before age
3 seventy (70), no election of an option shall be effective in case an
4 annuitant dies before the first payment due under such option has
5 been received.

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

1 this subsection shall require the Teachers' Retirement System of
2 Oklahoma to pay more than six (6) months of retrospective benefits
3 increase.

4 Option 1. If he or she dies before he or she has received in
5 annuity payments the present value of his or her annuity as it was
6 at the time of his or her retirement, the balance shall be paid to
7 his or her legal representatives or to such person as he or she
8 shall nominate by written designation duly acknowledged and filed
9 with the Board of Trustees at the time of his or her retirement; or

10 Option 2. A member takes a reduced retirement allowance for
11 life. Upon the death of the member the payments shall continue to
12 the member's designated beneficiary for the life of the beneficiary.
13 The written designation of the beneficiary must be duly acknowledged
14 and filed with the Board of Trustees at the time of the member's
15 retirement and cannot be changed after the effective date of the
16 member's retirement; or

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

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

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

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

19 (9) The governing board of any "public school", as that term is
20 defined in Section 17-101 of this title, is hereby authorized and
21 empowered to pay additional retirement allowances or compensation to
22 any person who was in the employ of such public school for not less
23 than seven (7) school years preceding the date of his or her

1 retirement. Payments so made shall be a proper charge against the
2 current appropriation or appropriations of any such public school
3 for salaries for the fiscal year in which such payments are made.
4 Such payments shall be made in regular monthly installments in such
5 amounts as the governing board of any such public school, in its
6 judgment, shall determine to be reasonable and appropriate in view
7 of the length and type of service rendered by any such person to
8 such public school by which such person was employed at the time of
9 retirement. All such additional payments shall be uniform, based
10 upon the length of service and the type of services performed, to
11 persons formerly employed by such public school who have retired or
12 been retired in accordance with the provisions of Section 1-101 et
13 seq. of this title.

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

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

21 (11) Upon the death of an in-service member, the System shall
22 pay to the designated beneficiary of the member or, if there is no
23 designated beneficiary or if the designated beneficiary predeceases

1 the member, to the estate of the member, the sum of Eighteen
2 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the
3 deceased member had ten (10) years or more of creditable service and
4 the death occurred after February 1, 1985, the member's designated
5 beneficiary may elect to receive the retirement benefit to which the
6 deceased member would have been entitled at the time of death under
7 the Option 2 plan of retirement in lieu of the death benefit
8 provided for in this subsection. Provided further, the option
9 provided in this subsection is only available when the member has
10 designated one individual as the designated beneficiary.

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

22 (13) Upon the death of a member who dies leaving no living
23 beneficiary or having designated his or her estate as beneficiary,

1 the System may pay any applicable death benefit, unpaid
2 contributions, or unpaid benefit which may be subject to probate, in
3 an amount of Five Thousand Dollars (\$5,000.00) or less, without the
4 intervention of the probate court or probate procedure pursuant to
5 Section 1 et seq. of Title 58 of the Oklahoma Statutes.

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

- 10 1. The member's valid last will and testament;
- 11 2. An affidavit or affidavits of heirship which must
12 state:
 - 13 a. the names and signatures of all claiming heirs to
14 the deceased member's estate including the
15 claiming heirs' names, relationship to the
16 deceased, current addresses and current telephone
17 numbers,
 - 18 b. a statement or statements by the claiming heirs
19 that no application or petition for the
20 appointment of a personal representative is
21 pending or has been granted in any jurisdiction,
 - 22 c. a statement that the value of the deceased
23 member's entire estate is subject to probate, and

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

6 d. a description of the personal property claimed,
7 (i.e., death benefit or unpaid contributions or
8 both) together with a statement that such
9 personal property is subject to probate,

10 e. a statement by each individual claiming heir
11 identifying the amount of personal property that
12 the heir is claiming from the System, and that
13 the heir has been notified of, is aware of and
14 consents to the identified claims of all the
15 other claiming heirs of the deceased member
16 pending with the System;

17 3. A written agreement or agreements signed by all
18 claiming heirs of the deceased member which provides
19 that the claiming heirs release, discharge and hold
20 harmless the System from any and all liability,
21 obligations and costs which it may incur as a result
22 of making a payment to any of the deceased member's
23 heirs;

- 1 4. A corroborating affidavit from an individual other
2 than a claiming heir, who was familiar with the
3 affairs of the deceased member;
- 4 5. Proof that all debts of the deceased member, including
5 payment of last sickness, hospital, medical, death,
6 funeral and burial expenses have been paid or provided
7 for.

8 (b) The Executive Director of the System shall retain complete
9 discretion in determining which requests for probate waiver may be
10 granted or denied, for any reason. Should the System have any
11 question as to the validity of any document presented by the
12 claiming heirs, or as to any statement or assertion contained
13 therein, the probate requirement provided for in Section 1 et seq.
14 of Title 58 of the Oklahoma Statutes, shall not be waived.

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

22 (14) Upon the death of a retired member, the benefit payment
23 for the month in which the retired member died, if not previously

1 paid, shall be made to the beneficiary of the member or to the
2 member's estate if there is no beneficiary. Such benefit payment
3 shall be made in an amount equal to a full monthly benefit payment
4 regardless of the day of the month in which the retired member died.

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

7 Section 17-106. (1) The general administration and
8 responsibility for the proper operation of the retirement system and
9 for making effective the provisions of the act are hereby vested in
10 a Board of Trustees which shall be known as the Board of Trustees
11 and shall be organized immediately after a majority of the trustees
12 provided for in this section shall have qualified and taken the oath
13 of office.

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

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

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

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

19 (d) One member appointed by the Governor whose initial term of
20 office shall expire on January 14, 1991. The members thereafter
21 appointed by the Governor shall serve a term of office of four (4)
22 years which is coterminous with the term of office of the office of
23 the appointing authority.

1 (e) Two members shall be appointed by the Governor of the State
2 of Oklahoma and approved by the Senate. The two members shall be:
3 1. a representative of a school of higher education in Oklahoma
4 whose term of office shall initially be one (1) year, and 2. a
5 member of the System of the nonclassified optional personnel status
6 whose initial term of office shall be two (2) years. After the ~~said~~
7 initial terms of office the terms of ~~said~~ the members shall be four
8 (4) years.

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

15 (g) Upon the expiration of the term of office of the
16 representative of the insurance industry member of the Board, the
17 Governor shall appoint a member to the Board whose initial term of
18 office shall expire on January 14, 1991. The members thereafter
19 appointed by the Governor shall serve a term of office of four (4)
20 years which is coterminous with the term of office of the office of
21 the appointing authority.

22 (h) Upon the expiration of the term of office of the investment
23 counselor member of the Board, the Governor shall appoint a member

1 to the Board whose initial term of office shall expire on January
2 14, 1991. The members thereafter appointed by the Governor shall
3 serve a term of office of four (4) years which is coterminous with
4 the term of office of the office of the appointing authority.

5 (i) Upon the expiration of the term of office of the active
6 classroom teacher member of the Board, the President Pro Tempore of
7 the Senate shall appoint a member to the Board, who shall be an
8 active classroom teacher and whose initial term of office shall
9 expire on January 8, 1991. The members thereafter appointed by the
10 President Pro Tempore of the Senate shall serve a term of office of
11 four (4) years.

12 (j) Upon the expiration of the term of office of the retired
13 classroom teacher member of the Board, the Speaker of the House of
14 Representatives shall appoint a member to the Board, who shall be a
15 retired member of the System and whose initial term of office shall
16 expire on January 8, 1991. The members thereafter appointed by the
17 Speaker of the House of Representatives shall serve a term of office
18 of four (4) years.

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

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

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

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

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

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

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

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

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

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

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

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

13 (8) Each trustee shall, within ten (10) days after his or her
14 appointment or election, take an oath of office that, so far as it
15 devolves upon him or her, ~~he~~ the trustee will diligently and
16 honestly administer the affairs of the Board of Trustees and that he
17 or she will not knowingly violate or willingly permit to be violated
18 any of the provisions of law applicable to the retirement system.
19 Such oath shall be subscribed to by the member making it, certified
20 by the officer before whom it is taken, and immediately filed in the
21 office of the Secretary of State.

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

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

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

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

20 (11) The Board of Trustees shall elect from its membership a
21 ~~chairman~~ chair, and by a majority vote of all of its members shall
22 appoint a secretary-treasurer, who may be, but need not be, one of
23 its members. The Board shall employ an executive ~~secretary~~ director

1 and shall engage such actuarial and other service as shall be
2 required to transact the business of the retirement system. The
3 compensation of all persons engaged by the Board and all other
4 expenses of the Board necessary for the operation of the retirement
5 system shall be paid at such rates and in such amounts as the Board
6 shall approve.

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

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

20 (14) The Board of Trustees shall keep a record of all of its
21 proceedings which shall be open to public inspection. It shall
22 publish annually a report showing the fiscal transactions of the
23 retirement system for the preceding school year, the amount of the

1 accumulated cash and securities of the system, and the last balance
2 sheet showing the financial condition of the system by means of an
3 actuarial valuation of the assets and liabilities of the retirement
4 system and a detailed accounting of its administrative expenses.

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

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

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

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

20 (19) At least once each five (5) years the actuary shall make
21 an actuarial investigation of the experience of the retirement
22 system, including the mortality, service and compensation experience
23 of members and beneficiaries. Based on the results of such

1 investigation the actuary shall recommend for adoption by the Board
 2 of Trustees such tables and rates as are required for the operation
 3 of the retirement system and for the preparation of annual actuarial
 4 valuations.

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

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

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

22 Section 17-108. A. Each local school district, or state
 23 college or university, or State Board of Education or State Board of

1 Career and Technology Education, or other state agencies whose
2 employees are members of the Teachers' Retirement System shall match
3 on a pro rata basis, in accordance with subsection B of this section
4 the contributions of members whose salaries are paid by federal
5 funds or externally sponsored agreements such as grants, contracts
6 and cooperative agreements. These funds shall be remitted at the
7 same time as the regular contributions of members are remitted to
8 the Teachers' Retirement System of Oklahoma and deposited in the
9 Retirement Benefit Fund.

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

20 C. All the assets of the retirement system shall be credited
21 according to the purpose for which they are held to one of ten
22 funds, namely: The Teachers' Savings Fund, the Retirement Benefit
23 Fund, the Interest Fund, the Permanent Retirement Fund, the Expense

1 Fund, the Suspense Fund, the Reserve for Investment Fluctuations
2 Fund, the Teachers' Deposit Fund, the Membership Annuity Reserve
3 Fund and the Retiree Medical Benefit Fund.

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

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

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

1 and shall be credited to the individual account of the member from
2 whose compensation ~~said~~ the deduction was made.

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

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

21 5. Retirement Benefit Fund.

22 a. After August 2, 1969, there shall be transferred from
23 the Teachers' Savings Fund and the Membership Annuity

1 Reserve Fund for those members drawing retirement
2 benefits from the Teachers' Retirement System of
3 Oklahoma an amount necessary to provide the monthly
4 annuity payments and pension payments. In addition
5 the fund shall consist of monies received from any
6 state dedicated revenue, monies received from state
7 appropriations, monies received from federal matching
8 funds, and the residue of the interest on investments
9 after the requirements of Section 17-107 of this title
10 have been fully met. The Retirement Benefit Fund
11 shall consist of an amount of money necessary for the
12 making of retirement payments to retirees.

13 b. Should a member have deposits in the Teachers' Deposit
14 Fund or the Tax-Sheltered Annuity Fund and wish to
15 receive monthly retirement benefits on such deposits,
16 the actuarial equivalent of a two-year period and each
17 succeeding fiscal year thereafter shall be transferred
18 to the Retirement Benefit Fund. The member may choose
19 any of the plans available in the Teachers' Retirement
20 Act as a method of receiving monthly retirement
21 benefits on the money he has on deposit in the
22 Teachers' Deposit Fund or the Tax-Sheltered Annuity
23 Fund. The monthly retirement benefits paid from the

- 1 Teachers' Deposit Fund or the Tax-Sheltered Annuity
2 Fund shall be in addition to the regular retirement
3 benefits and the money transferred from the Teachers'
4 Deposit Fund or Tax-Sheltered Annuity Fund shall not
5 be matched by the State of Oklahoma.
- 6 c. From the Retirement Benefit Fund shall be paid all
7 monthly retirement benefits.
- 8 d. At the death of a retired member who has retired under
9 the Maximum Plan of Retirement, Option 1 or Option 4,
10 the balance of money the member has in the Teachers'
11 Savings Fund shall be transferred to the Retirement
12 Benefit Fund and the amount due the beneficiary or his
13 or her estate under Option 1 or Option 4 shall be paid
14 from the Retirement Benefit Fund.
- 15 e. At the death of both a retired member and the retired
16 member's spouse, who had retired under Option 2 or 3,
17 any balance in the Teachers' Savings Fund shall be
18 transferred from the Teachers' Savings Fund to the
19 Retirement Benefit Fund.
- 20 f. At the death of a retired member who had retired under
21 Option 5, the balance of any monies the member had in
22 the Teachers' Savings Fund shall be transferred to the
23 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

1 the Board of Trustees transfers may be made from this fund to
2 reimburse the investment account of other funds wherein a deficit
3 shall have accrued.

4 11. Teachers' Deposit Fund.

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

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

1 benefits for a period of two (2) years and thereafter the actuarial
2 equivalent necessary to pay retirement benefits for one (1)
3 succeeding year.

4 13. Collection of Contributions.

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

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

20 (2) The treasurer or disbursing officer upon delivery
21 of the warrants and a true copy of the payroll or
22 claims as provided above shall register ~~said~~ the
23 warrants as provided for the registration of

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

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

17 (4) The State Treasurer shall furnish annually to the
18 Board of Trustees a sworn statement of the amount
19 of the funds in his or her custody belonging to
20 the retirement system. The records of the Board
21 of Trustees shall be open to public inspection
22 and any member of the retirement system shall be
23 furnished with a statement of the amount of the

1 credit to his or her individual account upon
2 written request by such member, provided the
3 Board of Trustees shall not be required to answer
4 more than one such request of a member in any one
5 (1) year.

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

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

1 hereof to the State Teachers' Retirement System
2 if the original warrant, voucher or check is
3 later presented for payment and same is paid
4 after a duplicate warrant, voucher or check has
5 been issued and paid to the Teachers' Retirement
6 System, and any loss sustained therefrom shall be
7 charged to the Interest Fund.

8 14. Rollover Contributions and Direct Trustee-to-Trustee
9 Transfers from Other Plans.

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

21 15. Retiree Medical Benefit Fund.

22 The Retiree Medical Benefit Fund shall be maintained as a
23 subaccount under the Retirement Benefit Fund. The Retiree Medical

1 Benefit Fund is composed of all assets contributed to this
 2 subaccount to pay the retirement system's portion of the monthly
 3 retiree health insurance benefits described in Section 1316.3 of
 4 Title 74 of the Oklahoma Statutes. All allocated assets and the
 5 earnings thereon in the Retiree Medical Benefit Fund shall be held
 6 for the exclusive purpose of providing retiree medical benefits
 7 pursuant to Section 1316.3 of Title 74 of the Oklahoma Statutes.
 8 The Retiree Medical Benefit Fund shall be administered in accordance
 9 with the requirements under Section 401(h) of the Internal Revenue
 10 Code of 1986, as amended from time to time. An amount necessary to
 11 pay the health insurance premiums for retired members as provided by
 12 Section 1316.3 of Title 74 of the Oklahoma Statutes shall be
 13 deposited each month into the Retiree Medical Benefit Fund.

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

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

1 age, amount of contributions paid in, benefits being paid, amount of
 2 credited service and any documents verifying credits, service, or
 3 benefits is subject to public knowledge.

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

6 Section 17-111. The Treasurer of the State of Oklahoma shall
 7 upon becoming custodian of the Teachers' Retirement Fund, give a
 8 bond in the sum of Fifty Thousand Dollars (\$50,000.00); the
 9 Executive ~~Secretary~~ Director shall give bond in the sum of
 10 Twenty-five Thousand Dollars (\$25,000.00); and the Board of Trustees
 11 shall require any other employees and members of the Board of
 12 Trustees to give bond in such amounts as the Board may deem
 13 necessary, conditioned that said bonded persons will faithfully
 14 execute the duties of the respective offices. All bonds shall be
 15 made with a good and solvent surety company, authorized to do
 16 business in the State of Oklahoma; said bonds shall be made payable
 17 to the Board of Trustees and shall be approved by it and the
 18 Attorney General of Oklahoma. All expense necessary and incident to
 19 the execution of such bonds, including premiums thereon, shall be
 20 paid by the Board of Trustees from the Expense Fund.

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

1 Section 17-114.2 The executive ~~secretary~~ director, assistant
2 executive ~~secretary~~ director and secretary-treasurer of the system
3 shall be unclassified positions. Twenty-two (22)
4 full-time-equivalent employees of the system shall be unclassified
5 administrative assistants.

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

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

11 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT & INSURANCE, dated
12 4-2-09 - DO PASS, As Amended.