

STATE OF OKLAHOMA

1st Session of the 52nd Legislature (2009)

SENATE BILL 1072

By: Mazzei

AS INTRODUCED

An Act relating to retirement; amending 70 O.S. 2001, Sections 17-106, 17-108, as amended by Section 1, Chapter 354, O.S.L. 2002, 17-111 and 17-114.2 (70 O.S. Supp. 2008, Section 17-108), which relate to the Teachers' Retirement System of Oklahoma; changing references to Executive Secretary to Executive Director; deleting obsolete language; placing all personnel of the Teachers' Retirement System of Oklahoma in the unclassified service; repealing 70 O.S. 2001, Section 17-114, which relates to classified positions; providing for codification; providing for an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 17-106, is amended to read as follows:

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

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
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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
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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 2. 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.

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- 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
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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 by this act shall render him or her or his or her
4 bondsman liable for any loss occasioned thereby
5 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
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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 3. AMENDATORY 70 O.S. 2001, Section 17-111, is
9 amended to read as follows:

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

1 SECTION 4. AMENDATORY 70 O.S. 2001, Section 17-114.2, is
2 amended to read as follows:

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

8 B. Beginning July 1, 2009, all offices, positions, and
9 personnel of the Teachers' Retirement System of Oklahoma shall be in
10 the unclassified service except as provided in Section 840-4.2 of
11 Title 74 of the Oklahoma Statutes. All future appointees to
12 positions in the Teachers' Retirement System of Oklahoma shall be in
13 the unclassified service.

14 SECTION 5. REPEALER 70 O.S. 2001, Section 17-114, is
15 hereby repealed.

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

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

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