

1 ENGROSSED SENATE
2 BILL NO. 423

By: Quinn of the Senate

3 and

4 McDaniel of the House

5
6 [teachers' retirement - alternate retirement plan -
7 number of days of employment - effective date]
8

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

10 SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-206, is
11 amended to read as follows:

12 Section 17-206. A. An eligible employee shall have ~~ninety (90)~~
13 thirty (30) days from such eligible employee's initial date of hire
14 or the date the alternate retirement plan is adopted by the
15 participating institution, whichever is later, to make a one-time
16 irrevocable written election to participate in the alternate
17 retirement plan or the Teachers' Retirement System of Oklahoma. If
18 an eligible employee fails to make an election within the ~~ninety-day~~
19 thirty-day period such eligible employee shall participate in the
20 Teachers' Retirement System of Oklahoma. If an eligible employee
21 makes the election to participate in the alternate retirement plan
22 such eligible employee shall not participate in the Teachers'
23 Retirement System of Oklahoma nor make employee contributions to the
24 Teachers' Retirement System of Oklahoma and the participating

1 institution shall not make employer contributions to the Teachers'
2 Retirement System of Oklahoma except as otherwise required by ~~this~~
3 ~~act~~ Section 17-201 et seq. of this title. If an eligible employee
4 elects to participate in the Teachers' Retirement System of
5 Oklahoma, then the eligible employee shall make employee
6 contributions to the Teachers' Retirement System of Oklahoma and the
7 participating institution shall pay the employer contributions of
8 such eligible employee to the Teachers' Retirement System of
9 Oklahoma for the month that the eligible employee was hired through
10 the month that the election is made and as long as the eligible
11 employee participates in the Teachers' Retirement System of
12 Oklahoma.

13 B. An eligible employee who elects to participate in the
14 alternate retirement plan shall be ineligible for participation in
15 the Teachers' Retirement System of Oklahoma. Ineligibility to
16 participate in the Teachers' Retirement System of Oklahoma shall
17 continue so long as such eligible employee remains employed by a
18 participating institution. If such eligible employee assumes a
19 different position, which is governed by a state retirement system
20 other than the alternate retirement plan authorized in ~~this act~~
21 Section 17-201 et seq. of this title, the eligible employee shall be
22 subject to the retirement system rules applicable to that new
23 position. However, such eligible employee shall not be eligible for
24 service credit in the Teachers' Retirement System of Oklahoma for

1 service performed while participating in an alternate retirement
2 plan.

3 C. An electing employee who desires to cease to participate in
4 the Teachers' Retirement System of Oklahoma shall make a one-time
5 irrevocable written election to cease making employee contributions
6 to the Teachers' Retirement System of Oklahoma and participate in
7 the alternate retirement plan. Such election shall be made within
8 one (1) year following the adoption of the alternate retirement plan
9 or receipt of official written notice that the provisions of ~~this~~
10 ~~act~~ Section 17-201 et seq. of this title satisfy the applicable
11 requirements of the Internal Revenue Code of 1986, as amended from
12 time to time, whichever is later. If the electing employee makes
13 the election pursuant to this subsection, then the participating
14 institution shall notify the Teachers' Retirement System of Oklahoma
15 of such election within thirty (30) days of receipt of the election.
16 Upon the election to cease membership in the Teachers' Retirement
17 System of Oklahoma, employer and employee contributions shall cease
18 as of the first day of the month coinciding with or first following
19 the receipt of the election from the electing employee by the
20 participating institution.

21 D. Subject to receipt of official written notice that the
22 provisions of ~~this act~~ Section 17-201 et seq. of this title satisfy
23 the applicable requirements of the Internal Revenue Code of 1986, as
24 amended from time to time, as provided in subsection C of this

1 section, if the electing employee is not vested with the Teachers'
2 Retirement System of Oklahoma at the time the election is made, the
3 Teachers' Retirement System of Oklahoma shall transfer all of the
4 electing employee's employee contributions (but not employer
5 contributions) at the time of such election, and attributable
6 interest, pursuant to Section 17-105 of Title 70 of the Oklahoma
7 Statutes, to the alternate retirement plan in an amount equal to
8 what the electing employee would have received had the electing
9 employee withdrawn his or her contributions at the date of such
10 election. A transfer of employee contributions and interest
11 pursuant to this subsection shall only be made upon receipt of
12 official written notice that such transfer satisfies the applicable
13 requirements of the Internal Revenue Code of 1986, as amended from
14 time to time. Upon transfer of such employee contributions and
15 interest to the alternate retirement plan, the electing employee
16 shall have all service credit, rights, and benefits in the Teachers'
17 Retirement System of Oklahoma canceled. In the event the Internal
18 Revenue Service does not approve the transfer of contributions and
19 interest to the alternate retirement plan as provided in this
20 subsection, such employee contributions and interest shall be
21 refunded to such electing employee upon termination, retirement,
22 death or disability pursuant to Section 17-101 et seq. of ~~Title 70~~
23 ~~of the Oklahoma Statutes~~ this title and the rules of the Teachers'
24 Retirement System of Oklahoma.

1 E. In the event an electing employee is vested with the
2 Teachers' Retirement System of Oklahoma on the date that the
3 election is made, such individual shall have the option to either
4 (a) leave all of his or her employee contributions in the Teachers'
5 Retirement System of Oklahoma, or (b) transfer all of the electing
6 employee's employee contributions (but not employer contributions)
7 at the time of such election, and attributable interest, pursuant to
8 Section 17-105 of ~~Title 70 of the Oklahoma Statutes~~ this title, to
9 the alternate retirement plan in an amount equal to what the
10 electing employee would have received had the electing employee
11 withdrawn his or her contributions at the date of such election. A
12 transfer of employee contributions and interest pursuant to this
13 subsection shall only be made upon receipt of official written
14 notice that such transfer satisfies the applicable requirements of
15 the Internal Revenue Code of 1986, as amended from time to time.
16 Upon transfer of such employee contributions and interest to the
17 alternate retirement plan, all of the electing employee's service
18 credit, rights, and benefits in the Teachers' Retirement System of
19 Oklahoma shall be canceled. However, such electing employee who
20 leaves all of his or her employee contributions in the Teachers'
21 Retirement System of Oklahoma shall not be eligible to retire from
22 the Teachers' Retirement System of Oklahoma while employed by a
23 participating institution. In the event the Internal Revenue
24 Service does not approve the transfer of contributions and interest

1 to the alternate retirement plan as provided in this subsection,
2 such employee contributions and interest shall be refunded to such
3 electing employee upon termination, retirement, death or disability
4 pursuant to Section 17-101 et seq. of ~~Title 70 of the Oklahoma~~
5 ~~Statutes~~ this title and the rules of the Teachers' Retirement System
6 of Oklahoma.

7 F. An electing employee shall not be eligible to obtain service
8 credit in the Teachers' Retirement System of Oklahoma for service
9 performed while participating in an alternate retirement plan as
10 provided in ~~this act~~ Section 17-201 et seq. of this title, on or
11 after July 1, 2004, even if the employee later returns to employment
12 in a position governed by the Teachers' Retirement System of
13 Oklahoma. The Boards of Regents of the participating institutions
14 and the Teachers' Retirement System of Oklahoma shall promulgate any
15 rules necessary to implement the provisions of this section.

16 SECTION 2. This act shall become effective November 1, 2017.
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1 Passed the Senate the 22nd day of March, 2017.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2017.

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8 _____
9 Presiding Officer of the House
10 of Representatives