

SENATE FLOOR VERSION
February 17, 2026
AS AMENDED

SENATE BILL NO. 2039

By: Goodwin

**[Teachers' Retirement System of Oklahoma -
retirement allowance - service credits - effective
dates -
emergency]**

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as last amended by Section 1, Chapter 357, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), is amended to read as follows:

Section 3103. As used in the Oklahoma Pension Legislation Actuarial Analysis Act:

1. "Amendment" means any amendment, including a substitute bill, made to a retirement bill by any committee of the Oklahoma House of Representatives or Oklahoma State Senate, any conference committee of the House of Representatives or Senate, or by the House of Representatives or Senate;

2. "RB number" means that number preceded by the letters "RB" assigned to a retirement bill by the respective staffs of the ~~Oklahoma State Senate~~ and the ~~Oklahoma~~ House of Representatives when

1 the respective staff office prepares a retirement bill for a member
2 of the Legislature;

3 3. "Legislative Actuary" means the firm or entity that enters
4 into a contract with the Legislative Service Bureau pursuant to
5 Section 452.15 of Title 74 of the Oklahoma Statutes to provide the
6 actuarial services and other duties provided for in the Oklahoma
7 Pension Legislation Actuarial Analysis Act;

8 4. "Nonfiscal amendment" means an amendment to a retirement
9 bill having a fiscal impact, which amendment does not change any
10 factor of an actuarial investigation specified in subsection A of
11 Section 3109 of this title;

12 5. "Nonfiscal retirement bill" means a retirement bill:

13 a. which does not affect the cost or funding factors of a
14 retirement system,

15 b. which affects such factors only in a manner which does
16 not:

17 (1) grant a benefit increase under the retirement
18 system affected by the bill,

19 (2) create an actuarial accrued liability for or
20 increase the actuarial accrued liability of the
21 retirement system affected by the bill, or

22 (3) increase the normal cost of the retirement system
23 affected by the bill,

24

- 1 c. which authorizes the purchase by an active member of
2 the retirement system, at the actuarial cost for the
3 purchase as computed pursuant to the statute in effect
4 on the effective date of the measure allowing such
5 purchase, of years of service for purposes of reaching
6 a normal retirement date in the applicable retirement
7 system, but which cannot be used in order to compute
8 the number of years of service for purposes of
9 computing the retirement benefit for the member,
- 10 d. which provides for the computation of a service-
11 connected disability retirement benefit for members of
12 the Oklahoma Law Enforcement Retirement System
13 pursuant to Section 2-305 of Title 47 of the Oklahoma
14 Statutes if the members were unable to complete twenty
15 (20) years of service as a result of the disability,
- 16 e. which requires membership in the defined benefit plan
17 authorized by Section 901 et seq. of Title 74 of the
18 Oklahoma Statutes for persons whose first elected or
19 appointed service occurs on or after November 1, 2018,
20 if such persons had any prior service in the Oklahoma
21 Public Employees Retirement System prior to November
22 1, 2015,
- 23 f. which provides for a one-time increase in retirement
24 benefits if the increase in retirement benefits is not

1 a permanent increase in the gross annual retirement
2 benefit payable to a member or beneficiary, occurs
3 only once pursuant to a single statutory
4 authorization, and does not exceed:

5 (1) the lesser of two percent (2%) of the gross
6 annual retirement benefit of the member or One
7 Thousand Dollars (\$1,000.00) and requires that
8 the benefit may only be provided if the funded
9 ratio of the affected retirement system would not
10 be less than sixty percent (60%) but not greater
11 than eighty percent (80%) after the benefit
12 increase is paid,

13 (2) the lesser of two percent (2%) of the gross
14 annual retirement benefit of the member or One
15 Thousand Two Hundred Dollars (\$1,200.00) and
16 requires that the benefit may only be provided if
17 the funded ratio of the affected retirement
18 system would be greater than eighty percent (80%)
19 but not greater than one hundred percent (100%)
20 after the benefit increase is paid,

21 (3) the lesser of two percent (2%) of the gross
22 annual retirement benefit of the member or One
23 Thousand Four Hundred Dollars (\$1,400.00) and
24 requires that the benefit may only be provided if

1 the funded ratio of the affected retirement
2 system would be greater than one hundred percent
3 (100%) after the benefit increase is paid, or
4 (4) the greater of two percent (2%) of the gross
5 annual retirement benefit of the volunteer
6 firefighter or One Hundred Dollars (\$100.00) for
7 persons who retired from the Oklahoma
8 Firefighters Pension and Retirement System as
9 volunteer firefighters and who did not retire
10 from the Oklahoma Firefighters Pension and
11 Retirement System as a paid firefighter.

12 As used in this subparagraph, "funded ratio" means the
13 figure derived by dividing the actuarial value of
14 assets of the applicable retirement system by the
15 actuarial accrued liability of the applicable
16 retirement system,

17 g. which modifies the disability pension standard for
18 police officers who are members of the Oklahoma Police
19 Pension and Retirement System as provided by Section
20 50-115 of Title 11 of the Oklahoma Statutes,

21 h. which provides a cost-of-living benefit increase
22 pursuant to the provisions of:

23 (1) Section 49-143.7 of Title 11 of the Oklahoma
24 Statutes,

1 (2) Section 50-136.9 of Title 11 of the Oklahoma
2 Statutes,

3 (3) Section 1104K of Title 20 of the Oklahoma
4 Statutes,

5 (4) Section 2-305.12 of Title 47 of the Oklahoma
6 Statutes,

7 (5) Section 17-116.22 of Title 70 of the Oklahoma
8 Statutes, or

9 (6) Section 930.11 of Title 74 of the Oklahoma
10 Statutes,

11 i. which modifies the computation of the line-of-duty
12 disability benefit pursuant to Sections 50-101 and 50-
13 115 of Title 11 of the Oklahoma Statutes,

14 j. which allows the purchase of military prior service
15 credit pursuant to the provisions of this ~~act~~ section
16 and Section 49-138 of Title 11 of the Oklahoma
17 Statutes,

18 k. which increases the computation factor used to
19 calculate the accrued retirement benefit and normal
20 disability benefit pursuant to Section 50-101 of Title
21 11 of the Oklahoma Statutes,

22 l. which increases the municipal contribution, employee
23 contribution, or both for members of the Oklahoma
24 Police Pension and Retirement System pursuant to

1 Sections 50-109 and 50-110 of Title 11 of the Oklahoma
2 Statutes, ~~or~~

3 m. which modifies the computation of a retirement annuity
4 pursuant to Section 50-111.1 of Title 11 of the
5 Oklahoma Statutes, or

6 n. which relates to the purchase of service credits, as
7 provided for in Section 17-116.2 of Title 70 of the
8 Oklahoma Statutes.

9 A nonfiscal retirement bill shall include any retirement bill that
10 has as its sole purpose the appropriation or distribution or
11 redistribution of monies in some manner to a retirement system for
12 purposes of reducing the unfunded liability of such system or the
13 earmarking of a portion of the revenue from a tax to a retirement
14 system or increasing the percentage of the revenue earmarked from a
15 tax to a retirement system;

16 6. "Reduction-in-cost amendment" means an amendment to a
17 retirement bill having a fiscal impact which reduces the cost of the
18 bill as such cost is determined by the actuarial investigation for
19 the bill prepared pursuant to Section 3109 of this title;

20 7. "Retirement bill" means any bill or joint resolution
21 introduced or any bill or joint resolution amended by a member of
22 the Legislature which creates or amends any law directly affecting a
23 retirement system. A retirement bill shall not mean a bill or
24 resolution that impacts the revenue of any state tax in which a

1 portion of the revenue generated from such tax is earmarked for the
2 benefit of a retirement system;

3 8. "Retirement bill having a fiscal impact" means any
4 retirement bill creating or establishing a retirement system and any
5 other retirement bill other than a nonfiscal retirement bill; and

6 9. "Retirement system" means the Teachers' Retirement System of
7 Oklahoma, the Oklahoma Public Employees Retirement System, the
8 Uniform Retirement System for Justices and Judges, the Oklahoma
9 Firefighters Pension and Retirement System, the Oklahoma Police
10 Pension and Retirement System, the Oklahoma Law Enforcement
11 Retirement System, or a retirement system established after January
12 1, 2006.

13 SECTION 2. AMENDATORY 70 O.S. 2021, Section 17-116.2, is
14 amended to read as follows:

15 Section 17-116.2. A. 1. Beginning July 1, 1987, and prior to
16 July 1, 1995, a member who retires on or after the member's normal
17 retirement age or whose retirement is because of disability shall
18 receive an annual allowance for life, payable monthly, in an amount
19 equal to two percent (2%) of the member's highest three-year average
20 salary upon which member contributions were made, multiplied by the
21 number of the member's years of creditable service.

22 A classified member who retired prior to July 1, 1986, shall
23 have the member's retirement allowance calculated on a minimum
24 average salary of Eleven Thousand Five Hundred Dollars (\$11,500.00)

1 or on the member's current minimum average salary plus Two Thousand
2 Dollars (\$2,000.00), whichever is greater. Beginning July 1, 1994,
3 a classified member who retired prior to July 1, 1993, shall have
4 the member's retirement allowance calculated on the member's current
5 minimum average salary plus Five Hundred Fifty Dollars (\$550.00).
6 An unclassified member who retired prior to July 1, 1986, shall have
7 the member's retirement allowance calculated on a minimum average
8 salary of Nine Thousand Five Hundred Dollars (\$9,500.00) or on the
9 member's current minimum average salary plus One Thousand Dollars
10 (\$1,000.00), whichever is greater. Beginning July 1, 1994, an
11 unclassified member who retired prior to July 1, 1993, shall have
12 the member's retirement allowance calculated on the member's current
13 minimum average salary plus Two Hundred Seventy-five Dollars
14 (\$275.00). Those individuals receiving benefits pursuant to
15 subsection (3) of Section 17-105 of this title whose benefits
16 commenced prior to July 1, 1993, shall receive an increase in
17 benefits of two and one-half percent (2 1/2%). No retirement
18 benefit payments shall be made retroactively.

19 For those members retiring before normal retirement age, except
20 for those members retiring because of a disability, the retirement
21 allowance shall be subject to adjustment in accordance with the
22 actuarial equivalent factors adopted by the Board of Trustees.

23 2. Beginning July 1, 1995, a member, who has no service
24 performed on or after July 1, 1995, for an entity or institution

1 within The Oklahoma State System of Higher Education, who retires on
2 or after the member's normal retirement age or whose retirement is
3 because of disability shall receive an annual allowance for life,
4 payable monthly as follows:

5 a. if the member becomes a member after June 30, 1995,
6 and was not eligible to become a member prior to July
7 1, 1995, in an amount equal to two percent (2%) of the
8 member's average salary upon which member
9 contributions were made, multiplied by the number of
10 the member's years of creditable service, or

11 b. if the member became a member or is eligible to become
12 a member prior to July 1, 1995, and elected to have a
13 maximum compensation level in excess of Twenty-five
14 Thousand Dollars (\$25,000.00) pursuant to paragraph 1
15 of subsection C of this section or pursuant to
16 subsection E of this section, or if the member's
17 salary has never exceeded Twenty-five Thousand Dollars
18 (\$25,000.00) prior to July 1, 1995, in an amount equal
19 to:

20 (1) two percent (2%) of the member's average salary
21 upon which member contributions were made not to
22 exceed Forty Thousand Dollars (\$40,000.00),
23 multiplied by the number of the member's years of
24 credited service authorized and performed prior

1 to July 1, 1995, plus any years of prior service
2 authorized under this title, plus

3 (2) two percent (2%) of the member's average salary
4 upon which member contributions were made,
5 multiplied by the number of the member's years of
6 credited service authorized and performed after
7 June 30, 1995, or

8 c. if the member became a member or is eligible to become
9 a member prior to July 1, 1995, and was eligible to
10 elect to have a maximum compensation level in excess
11 of Twenty-five Thousand Dollars (\$25,000.00) and did
12 not elect or elected not to have a maximum
13 compensation level of Forty Thousand Dollars
14 (\$40,000.00) pursuant to paragraph 1 of subsection C
15 of this section or pursuant to subsection E of this
16 section, in an amount equal to:

17 (1) two percent (2%) of the member's average salary
18 upon which member contributions were made not to
19 exceed Twenty-five Thousand Dollars (\$25,000.00),
20 multiplied by the number of the member's years of
21 credited service authorized and performed prior
22 to July 1, 1995, plus any years of prior service
23 authorized under this title, plus
24

1 (2) two percent (2%) of the member's average salary
2 upon which member contributions were made,
3 multiplied by the number of the member's years of
4 credited service authorized and performed after
5 June 30, 1995.

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

8 1. Beginning July 1, 1992, through June 30, 1996, six percent
9 (6%) of the regular annual compensation of such member not in excess
10 of Twenty-five Thousand Dollars (\$25,000.00) and beginning July 1,
11 1995, through June 30, 1996, six percent (6%) of the maximum
12 compensation level;

13 2. Beginning July 1, 1996, through June 30, 1997, six and one-
14 half percent (6 1/2%) of the regular annual compensation of members,
15 who are not employed by an entity or institution within The Oklahoma
16 State System of Higher Education not in excess of Twenty-five
17 Thousand Dollars (\$25,000.00) and beginning July 1, 1996, through
18 June 30, 1997, six and one-half percent (6 1/2%) of the regular
19 annual compensation of members, who are employed by an entity or
20 institution within The Oklahoma State System of Higher Education,
21 not in excess of Twenty-five Thousand Dollars (\$25,000.00);

22 3. Beginning July 1, 1997, seven percent (7%) of the regular
23 annual compensation of the member not in excess of any applicable
24 maximum compensation level of the member; and

1 4. All public schools in this state shall treat the employee
2 contributions as being picked up under the provisions of Section 414
3 (h) (2) of the Internal Revenue Code of 1986 in determining tax
4 treatment.

5 Subject to Internal Revenue Service approval, paragraph 4 of this
6 subsection shall not apply to a comprehensive university group
7 established on or before July 1, 1998, whose employee contributions
8 were consistently treated as not picked up as of July 1, 1998, and
9 at all times thereafter.

10 C. 1. Prior to July 1, 1995, an active member of the System
11 may elect to have a maximum compensation level of Forty Thousand
12 Dollars (\$40,000.00). Such an election shall be made in writing and
13 filed with the System. Members whose salaries are in excess of
14 Twenty-five Thousand Dollars (\$25,000.00) on July 20, 1987, shall
15 file the election with the System prior to January 1, 1988. Members
16 whose salaries exceed Twenty-five Thousand Dollars (\$25,000.00)
17 after July 20, 1987, shall file the election when the salary exceeds
18 Twenty-five Thousand Dollars (\$25,000.00). If a member makes such
19 an election, the member shall contribute the following amounts:

- 20 a. beginning July 1, 1992, through June 30, 1993, eleven
21 percent (11%) of the regular annual compensation of
22 such member that is in excess of Twenty-five Thousand
23 Dollars (\$25,000.00) and is not in excess of Forty
24 Thousand Dollars (\$40,000.00),

1 b. beginning July 1, 1993, through June 30, 1994, nine
2 percent (9%) of the regular annual compensation of
3 such member that is in excess of Twenty-five Thousand
4 Dollars (\$25,000.00) and is not in excess of Forty
5 Thousand Dollars (\$40,000.00), and

6 c. beginning July 1, 1994, through June 30, 1995, eight
7 percent (8%) of the regular annual compensation of
8 such member that is in excess of Twenty-five Thousand
9 Dollars (\$25,000.00) and is not in excess of Forty
10 Thousand Dollars (\$40,000.00). Except as provided in
11 subsection E of this section, any such election shall
12 be irrevocable.

13 2. After June 30, 1995, in addition to the amount contributed
14 by each member to the retirement system pursuant to subsection B of
15 this section, the total amount contributed by each member to the
16 retirement system shall include, beginning July 1, 1995, through
17 June 30, 1997, seven percent (7%) of the regular annual compensation
18 of each member, who is not employed by an entity or institution
19 within The Oklahoma State System of Higher Education, that is in
20 excess of Twenty-five Thousand Dollars (\$25,000.00) and beginning
21 July 1, 1996, through June 30, 1997, seven percent (7%) of the
22 regular annual compensation of each member who is employed by an
23 entity or institution within The Oklahoma State System of Higher
24 Education in excess of Twenty-five Thousand Dollars (\$25,000.00),

1 but not in excess of any applicable maximum compensation level of
2 the member.

3 D. 1. Any member who was a contributing member of the
4 Retirement System between July 1, 1987, and June 30, 1995, who at
5 the time the member was eligible to make an election to increase the
6 maximum compensation level of the member, failed to make an election
7 or chose not to increase the maximum compensation level of the
8 member to Forty Thousand Dollars (\$40,000.00), may elect to make
9 back contributions to the Retirement System. The member shall
10 complete a new election form and file with the Board of Trustees,
11 the form and a payment equaling the difference between the amount
12 contributed at the twenty-five-thousand-dollar level and the
13 appropriate contribution on compensation in excess of Twenty-five
14 Thousand Dollars (\$25,000.00) up to a maximum of Forty Thousand
15 Dollars (\$40,000.00) shall be made prior to the official retirement
16 date of the member. The required payment shall include any
17 contribution required by the employing school district, and shall
18 include interest compounded annually at ten percent (10%) per annum
19 of both employer and employee contributions.

20 2. Any changes made pursuant to this subsection shall be
21 irrevocable.

22 E. 1. An individual who withdrew from the Teachers' Retirement
23 System and whose salary was in excess of Seven Thousand Eight
24 Hundred Dollars (\$7,800.00) and had elected to contribute only on

1 Seven Thousand Eight Hundred Dollars (\$7,800.00) before his or her
2 withdrawal shall contribute on the earning ceiling as provided for
3 in this section on his or her reentry into membership in the
4 Teachers' Retirement System.

5 2. An individual who elected to contribute on a maximum of
6 Seven Thousand Eight Hundred Dollars (\$7,800.00) per annum shall,
7 beginning July 1, 1979, contribute on his or her earning ceiling as
8 provided for in this section.

9 3. Any member who elected to contribute on Seven Thousand Eight
10 Hundred Dollars (\$7,800.00) prior to January 1, 1978, and whose
11 salary was more than Seven Thousand Eight Hundred Dollars
12 (\$7,800.00) during the school years 1974-75 through 1978-79 may
13 elect to make back contributions to the retirement system by paying
14 the five percent (5%) contributions on the difference between Seven
15 Thousand Eight Hundred Dollars (\$7,800.00) and the actual salary of
16 the member, not to exceed Ten Thousand Dollars (\$10,000.00) for each
17 applicable school year, plus interest compounded annually at ten
18 percent (10%) per annum. Such payment shall be made prior to the
19 official retirement date of the member.

20 F. Each employer shall cause to be deducted from the salary of
21 each member on each and every payroll of such employer for each and
22 every payroll period, the proper percentage of his or her earnable
23 compensation as provided for in subsection B or subsection C of this
24 section.

1 1. Deductions shall begin with the first payroll period of the
2 school year. In determining the amount earnable by a member in a
3 payroll period, the Board of Trustees shall consider the rate of
4 annual compensation payable to such member on the first day of the
5 payroll period as continuing throughout such payroll period, and it
6 may omit deductions from compensation for any period less than a
7 full period, and to facilitate the making of deductions, it may
8 modify the deduction required of any member by such an amount as
9 shall not exceed one-tenth of one percent (1/10 of 1%) of the annual
10 compensation upon the basis of which such deduction is to be made.
11 Prior to January 1, 1991, any active contributing member who joined
12 the System subsequent to July 1, 1943, may pay the normal cost,
13 which shall mean the single sum which would have been paid under
14 existing statutes at the time the service was performed, plus
15 interest, for years of teaching service in Oklahoma from the date of
16 establishment of the System in 1943 to date of membership, in a lump
17 sum, or in installments equal to establishing one (1) year of
18 creditable service. Effective January 1, 1991, any active
19 contributing member who joined the System subsequent to July 1,
20 1943, may pay the amount determined by the Board of Trustees
21 pursuant to Section 17-116.8 of this title for years of teaching
22 service in Oklahoma from the date of establishment of the System in
23 1943 to date of membership, in a lump sum, or in installments equal
24 to establishing one (1) year of creditable service. For purposes of

1 this option, teaching service in Oklahoma shall include the teaching
2 of vocational agricultural courses within Oklahoma for the federal
3 government. Years for which contributions are paid shall count as
4 membership service under this plan. A member may receive credit for
5 not more than five (5) years of teaching service rendered while in
6 the Peace Corps or in the public schools of a territory of the
7 United States or the public schools, American Military Dependent
8 Schools or state colleges or state universities outside this state
9 by paying his or her contributions, plus interest, and membership
10 fees to the retirement system, subject to the regulations of the
11 Board of Trustees, providing he or she is not receiving and is not
12 eligible to receive retirement credit or benefits from said service
13 in any other public retirement system of this state, or any other
14 state or territory of the United States subject to the following
15 provisions:

16 a. ~~the~~ The member is required to have two (2) years of
17 employed service teaching earned in Oklahoma for each
18 year of Peace Corps, territorial, out-of-state,
19 noncovered in-state or military membership credit
20 granted.

21 b. ~~prior~~ Prior to January 1, 1991, the out-of-state or
22 noncovered in-state payment shall be the normal cost,
23 which means the single sum which would have been paid
24 under existing law at the time the service was

1 performed, plus interest, on the basis of what his or
2 her annual salary would have been in Oklahoma or out
3 of state, whichever is greater, had he or she been
4 employed as a teacher. Effective January 1, 1991, the
5 Peace Corps, territorial, out-of-state or noncovered
6 in-state payment shall be the amount determined by the
7 Board of Trustees pursuant to Section 17-116.8 of this
8 title.

9 2. In addition to the deductions hereinabove provided for, any
10 member who becomes a member of the Armed Forces of the United States
11 of America during any period of national emergency, including World
12 War II, the Korean conflict, the Vietnam conflict or others as may
13 be determined by the Board of Trustees, or whose entrance into or
14 training for the teaching profession was interrupted by his or her
15 entrance into the Armed Forces, and who was or shall have become a
16 member of the Teachers' Retirement System shall be granted the
17 privilege of making up his or her five percent (5%) contributions as
18 provided for in this section until January 1, 1991, for not to
19 exceed five (5) years of service in the Armed Forces by electing to
20 pay said contributions on the basis of the rate of pay in his or her
21 contract as a teacher at the time his or her service in the Armed
22 Forces commenced or in the case of a teacher who was not teaching
23 prior to entering the Armed Forces, on the basis of the salary of
24 the first year of teaching after being honorably discharged from the

1 Armed Forces. Effective January 1, 1991, the member will receive
2 such service upon payment of the amount determined by the Board of
3 Trustees pursuant to Section 17-116.8 of this title. Such
4 contributions shall be credited in the regular manner, and the
5 period for which said contributions were paid shall be counted as
6 creditable years of service and allocated to the period during which
7 the military service was rendered, except that the period for which
8 contributions were paid must have been continuous and shall be
9 credited in the aggregate, regardless of fiscal year limitations.
10 Notwithstanding any provision herein to the contrary, contributions,
11 benefits, and service credit with respect to qualified military
12 service as defined by Section 414(u) of the Internal Revenue Code of
13 1986 shall be provided in accordance with Section 414(u) of the
14 Internal Revenue Code.

15 3. Retirement benefits for all service credits purchased
16 pursuant to this subsection shall be determined in accordance with
17 the provisions of paragraph 2 of this subsection. For the purposes
18 of purchasing service credits for prior military service, the term
19 "salary" shall solely mean the member's verified compensation during
20 the period of active military service, as provided in paragraph 2 of
21 this subsection.

22 G. Effective July 1, 2004, the total creditable service of a
23 member who retires or terminates employment and elects a vested
24 benefit shall include not to exceed one hundred twenty (120) days of

1 unused sick leave accumulated subsequent to August 1, 1959. Twenty
2 (20) days of unused sick leave shall equal one (1) month for
3 purposes of creditable service credit. If the member becomes a
4 member or was eligible to become a member prior to July 1, 1995, the
5 year of credit received in this section shall be treated as service
6 earned prior to July 1, 1995. This subsection shall apply to
7 members retiring or vesting on or after the effective date of this
8 act and shall not be retroactive.

9 H. Any member who:

10 1. Shall be absent from the teaching service because of
11 election to the State Legislature or appointment to the executive
12 branch in an education-related capacity shall be allowed thirty (30)
13 days from the date as of which the person is officially elected or
14 appointed to file an election with the Teachers' Retirement System
15 to retain his or her membership in the Teachers' Retirement System
16 upon payment of the contribution required of other members and
17 employers of said members as provided for in this section and his or
18 her service credits shall continue to be accumulated during such
19 absence, provided he or she is not receiving retirement credits or
20 benefits from said service beginning after July 1, 1992, in other
21 public retirement systems; or

22 2. Became an employee of the Oklahoma Commission for Teacher
23 Preparation on or subsequent to June 1, 2001, but prior to July 1,
24 2002, who was previously employed by a participating employer within

1 the Teachers' Retirement System of Oklahoma, may elect to cancel any
2 accumulated service credit accrued within the Oklahoma Public
3 Employees Retirement System on or after June 1, 2001, but prior to
4 July 1, 2002, by filing an election with the Oklahoma Public
5 Employees Retirement System for the cancellation of such service
6 credit. The election shall be irrevocable and shall require the
7 Oklahoma Public Employees Retirement System to transfer all
8 accumulated employer and employee contributions made on behalf of or
9 by the person making such election to the Teachers' Retirement
10 System for such period of time. The Teachers' Retirement System
11 shall compute the employee contributions that would have been made
12 to the System by such employee if the contributions had been
13 computed pursuant to this section. In order to receive the full
14 amount of creditable service for the period of time on or after June
15 1, 2001, but not later than June 30, 2002, the employee shall be
16 required to pay any difference between the transferred employee
17 contributions and the amount computed by the Teachers' Retirement
18 System. The employee may make payment of any required amount in the
19 manner provided by and subject to the requirements of Section 17-
20 116.8 of this title. After payment of all required employee
21 contributions, the Teachers' Retirement System shall credit the
22 period of time represented by the transferred employee contributions
23 as creditable service within the meaning of Section 17-101 of this
24 title. After the transfer of the employee contributions, the

1 Oklahoma Public Employees Retirement System shall cancel any service
2 credit previously accumulated for the period of time represented by
3 such transferred employee contributions. Any person who makes the
4 election provided for by this paragraph, and who continues
5 employment with the Oklahoma Commission for Teacher Preparation on
6 or after July 1, 2002, shall continue to accrue service credit in
7 the Teachers' Retirement System of Oklahoma. The employer shall
8 make employer contributions according to the requirements of Section
9 17-108.1 of this title and shall provide for the deduction of
10 employee contributions as required by this section.

11 I. Any member who shall be absent from the teaching service
12 because of election or appointment as a local, state or national
13 education association officer, prior to January 1, 2011, shall be
14 allowed to retain his or her membership in the Teachers' Retirement
15 System upon payment of the contribution required of other members
16 and employers of said members as provided for in this section and
17 his or her service credits shall continue to be accumulated during
18 such absence. Provided, however, any one such absence shall not
19 exceed twelve (12) continuous years. No member who has less than
20 ten (10) years of contributory service on July 1, 1994, may make
21 this election after June 30, 1994. Members contributing to the
22 System on July 1, 1994, may continue to contribute under this
23 subsection until they have completed eight (8) years allowed by this
24

1 subsection. The member may file for retirement when otherwise
2 eligible for retirement as provided by Section 17-105 of this title.

3 J. A member may receive credit for those years of service
4 accumulated by the member while employed by an entity which is a
5 participating employer in the Oklahoma Firefighters Pension and
6 Retirement System, the Oklahoma Police Pension and Retirement
7 System, the Uniform Retirement System for Justices and Judges, the
8 Oklahoma Law Enforcement Retirement System, or the Oklahoma Public
9 Employees Retirement System, if the member is not receiving or
10 eligible to receive retirement credit or benefits from said service
11 in any other public retirement system. A member also may receive
12 credit for those years of service with the Department of Wildlife
13 Conservation or with an employer that is a participating employer
14 within one of the state retirement systems specifically referred to
15 in this section when at the time of such service by the member the
16 employer was not such a participating employer, if the member is not
17 receiving or eligible to receive retirement credit or benefits from
18 said service in any other public retirement system. To receive the
19 service credit provided in this subsection, the member shall pay the
20 amount determined by the Board of Trustees pursuant to Section 17-
21 116.8 of this title. For purposes of this subsection, creditable
22 service transferred from the Oklahoma Public Employees Retirement
23 System shall include service authorized under paragraph (f) of
24 subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes

1 as amended from time to time. Members who retire prior to July 1,
2 1993, shall have their monthly benefit adjusted to include all
3 services accrued under paragraph (f) of subsection (2) of Section
4 913 of Title 74 of the Oklahoma Statutes. Provided however, any
5 adjustment of existing retirement benefits caused by reason of
6 inclusion of such service authorized under paragraph (f) of
7 subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes
8 shall not affect any retirement benefit paid prior to July 1, 1993.

9 K. 1. An active member of the Teachers' Retirement System of
10 Oklahoma may receive credit for those years of service accumulated
11 by the member while a member of the Oklahoma Public Employees
12 Retirement System if:

- 13 a. the member is an active member of the Teachers'
14 Retirement System of Oklahoma, ~~and~~
- 15 b. the member provides notice to the Oklahoma Public
16 Employees Retirement System and the Teachers'
17 Retirement System of Oklahoma of the member's election
18 to transfer said service credit. The notice shall
19 include a list of the years to be transferred, and
- 20 c. the member is not receiving or eligible to receive
21 retirement credit or benefits from said service in any
22 other public retirement system, notwithstanding the
23 years of service sought to be transferred under this
24 subsection.

1 Members electing to take advantage of the transfer authorized by
2 this subsection who are receiving or eligible to receive retirement
3 credit or benefits from said service in any other public retirement
4 system shall have all service credit with the Oklahoma Public
5 Employees Retirement System canceled which is not transferred to the
6 Teachers' Retirement System of Oklahoma or used as a cash offset in
7 such a transfer pursuant to subparagraph d of paragraph 2 of this
8 subsection. Service credit transferred to the Teachers' Retirement
9 System of Oklahoma under this subsection shall also be canceled with
10 the Oklahoma Public Employees Retirement System.

11 2. For purposes of this subsection, the "sending system" shall
12 mean the Oklahoma Public Employees Retirement System. The
13 "receiving system" shall mean the Teachers' Retirement System of
14 Oklahoma.

15 a. Within thirty (30) days notification of an intent to
16 transfer is received by the sending system, the
17 sending system shall, according to its own rules and
18 regulations:

19 (1) for members who have accrued at least eight (8)
20 years of credited service with the sending
21 system, determine the present value of the
22 member's earned benefits attributable to the
23 years of service sought to be transferred,
24 discounted according to the member's age at the

1 time of transfer and computed as of the earliest
2 age at which the member would be able to retire.
3 Said computation shall assume an unreduced
4 benefit and be computed using interest and
5 mortality assumptions consistent with the
6 actuarial assumptions adopted by the Board of
7 Trustees for purposes of preparing the annual
8 actuarial evaluation, but shall not make any
9 projections regarding future salary. For
10 employees who have accrued at least eight (8)
11 years of credited service, the sending system
12 shall use the product of this calculation for
13 purposes of determining the transfer fee to be
14 paid by the employee under subparagraph c of this
15 paragraph so long as it is greater than the
16 product of the calculation in division (2) of
17 this subparagraph, and

- 18 (2) determine the sum of the employee and employer
19 contributions applicable to the years of service
20 sought to be transferred plus interest consistent
21 with the actuarial assumptions adopted by the
22 Board of Trustees for purposes of preparing the
23 annual actuarial evaluation. For all nonvested
24 members, and for members who have accrued at

1 least eight (8) years of credited service, if the
2 product of this calculation is greater than the
3 product of the calculation in division (1) of
4 this subparagraph, the sending system shall use
5 the product of this calculation for purposes of
6 determining the amount to be transferred by the
7 sending system under subparagraph c of this
8 paragraph and any transfer fee to be paid by the
9 member under subparagraph d of this paragraph.

10 b. Within thirty (30) days notification of an intent to
11 transfer is received by the receiving system, the
12 receiving system shall determine, according to the
13 system's own rules and regulations, the present value
14 of the member's incremental projected benefits
15 discounted according to the member's age at the time
16 of the transfer. Incremental projected benefits shall
17 be the difference between the projected benefit said
18 member would receive without transferring the service
19 credit and the projected benefit after transfer of
20 service credit computed as of the earliest age at
21 which the member would be able to retire. Said
22 computation shall assume an unreduced benefit and be
23 computed using interest, salary projections and
24 mortality assumptions consistent with the actuarial

1 assumptions adopted by the Board of Trustees for
2 purposes of preparing the annual actuarial evaluation.

3 c. The sending system shall, within sixty (60) days from
4 the date notification of an intent to transfer is
5 received by the sending system, transfer to the
6 receiving system the amount determined in subparagraph
7 a of this paragraph. Except if the cost as calculated
8 under subparagraph a of this paragraph is greater than
9 the actuarial value of the incremental benefit in the
10 receiving system, as established in subparagraph b of
11 this paragraph, the sending system shall send the
12 receiving system an amount equal to the actuarial
13 value of the incremental projected benefit in the
14 receiving system.

15 d. In order to receive the credit provided for in
16 paragraph 1 of this subsection, if the cost of the
17 actuarial value of the incremental benefit to the
18 receiving system is greater than the cost as
19 calculated under subparagraph a of this paragraph for
20 the same years of service to the sending system as
21 established in subparagraphs a and b of this
22 paragraph, the employee shall elect to:

23 (1) pay any difference to receive full credit for the
24 years sought to be transferred, or

1 (2) receive prorated service credit for only the
2 amount received from the Oklahoma Public
3 Employees Retirement System pursuant to this
4 subsection.

5 Such an election shall be made in writing, filed with
6 the System prior to receiving the credit provided for
7 in paragraph 1 of this subsection, and shall be
8 irrevocable.

9 3. Within sixty (60) days of successfully completing all of the
10 requirements for transfer under this subsection, the sending system
11 shall pay the receiving system any amount due under this subsection.
12 Within sixty (60) days of successfully completing all of the
13 requirements for transfer under this subsection, the member shall
14 pay the receiving system any amount due under this subsection. In
15 the event that the member is unable to pay the transfer fee provided
16 for in this subsection by the due date, the Board of Trustees of the
17 receiving system shall permit the member to amortize the transfer
18 fee over a period not to exceed sixty (60) months. Said payments
19 shall be made by payroll deductions unless the Board of Trustees
20 permits an alternate payment source. The amortization shall include
21 interest in an amount not to exceed the actuarially assumed interest
22 rate adopted by the Board of Trustees for investment earnings each
23 year. Any member who ceases to make payment, terminates, retires or
24 dies before completing the payments provided for in this section

1 shall receive prorated service credit for only those payments made,
2 unless the unpaid balance is paid by said member, his or her estate
3 or successor in interest within six (6) months after said member's
4 death, termination of employment or retirement, provided no
5 retirement benefits shall be payable until the unpaid balance is
6 paid, unless said member or beneficiary affirmatively waives the
7 additional six-month period in which to pay the unpaid balance.

8 4. Years of service transferred pursuant to this subsection
9 shall be used both in determining the member's retirement benefit
10 and in determining the years of service for retirement and/or
11 vesting purposes. Years of service rendered as a member of the
12 Oklahoma Public Employees Retirement System prior to July 1, 1992,
13 if any, shall be deemed to be years of service rendered as a member
14 of the Teachers' Retirement System of Oklahoma prior to July 1,
15 1992, and shall qualify such person as a member of the Teachers'
16 Retirement System of Oklahoma before July 1, 1992.

17 5. Notwithstanding the requirements of subsection (5) of
18 Section 917 of Title 74 of the Oklahoma Statutes, members electing
19 to take advantage of the transfer authorized by this subsection who
20 have withdrawn their contributions from the sending system shall
21 remit to the sending system the amount of the accumulated
22 contributions the member has withdrawn plus simple interest of ten
23 percent (10%) per annum prior to making said election or the
24 election shall be deemed invalid and the transfer shall be canceled.

1 If such an election is deemed invalid and the transfer is canceled,
2 the accumulated contribution remitted to the sending system by the
3 member who originally withdrew their contributions shall be returned
4 to the member. The member's rights and obligations regarding any
5 service credit reestablished in the sending system due to a failure
6 to satisfy the requirements of this subsection shall be determined
7 by the sending system in accordance with Section 901 et seq. of
8 Title 74 of the Oklahoma Statutes.

9 6. If any member fails for any reason to satisfy the
10 requirements of this subsection, the election to transfer service
11 credit shall be void and of no effect, and any service credited as a
12 result of this transfer shall be canceled. If such service is
13 canceled, the years of canceled service credit which were
14 unsuccessfully transferred to the receiving system from the sending
15 system shall be reestablished in the sending system. The member's
16 rights and obligations regarding any service credit reestablished in
17 the sending system due to a failure to satisfy the requirements of
18 this subsection shall be determined by the sending system in
19 accordance with Section 901 et seq. of Title 74 of the Oklahoma
20 Statutes.

21 7. The Board of Trustees shall promulgate such rules as are
22 necessary to implement the provisions of this subsection.

23 L. Any member whose regular annual compensation was not
24 determined as provided for by law may pay the member contribution

1 required pursuant to subsection B of this section on such amount not
2 included in the member's regular annual compensation and receive
3 credit for such amount in the calculation of the member's benefit.
4 The employees must pay the employer contributions required pursuant
5 to Section 17-108.1 of this title. Interest at the rate of ten
6 percent (10%) per annum shall be charged to both employee and
7 employer contributions. Provided that the employing district may
8 pay all or any portion of the contributions and interest the member
9 is required to pay. Any payment by the employing district for a
10 prior year obligation shall be considered a current obligation of
11 the employer.

12 M. Any active member who elected during the 1978-79 school year
13 to pay the difference between five percent (5%) on actual salary not
14 exceeding Ten Thousand Dollars (\$10,000.00) and six percent (6%) on
15 actual salary not exceeding Fifteen Thousand Dollars (\$15,000.00)
16 shall receive credit for one (1) year of credited service upon
17 receipt and approval of a proper request by the Board of Trustees.

18 N. Effective July 1, 1988, any member who is employed by the
19 Governor, the State Senate, the House of Representatives or the
20 Legislative Service Bureau shall be allowed to elect to retain
21 membership in the Retirement System upon payment of the accrued and
22 current member contributions and employer contributions as provided
23 in subsection B of this section and Section 17-108.1 of this title.
24 Such contributions may be paid on behalf of the member by the

1 employing entity. Upon payment of such contributions, service
2 credits shall continue to be accumulated during such employment.
3 Accrued contributions shall be paid to the Retirement System by
4 August 1, 1989. Current contributions shall be paid to the
5 Retirement System by the tenth of the following month beginning with
6 the month of July 1989.

7 O. Notwithstanding any requirements of this title to restrict
8 the payment of service purchases, the Board of Trustees shall
9 promulgate such rules as necessary to allow active members of the
10 System to make installment payments for the redeposit of withdrawn
11 accounts or other payments due under the provisions of this title.
12 The rules shall permit the member to amortize the balance due over a
13 period not to exceed sixty (60) months, and shall include interest
14 consistent with the actuarial assumptions adopted by the Board of
15 Trustees for purposes of preparing the annual actuarial evaluation.
16 Further, the rules shall provide that all payments must be completed
17 prior to the effective retirement date of the member.

18 P. 1. A member of the Oklahoma Public Employees Retirement
19 System who becomes a member of the Teachers' Retirement System of
20 Oklahoma because the member has become employed by an entity or
21 institution within The Oklahoma State System of Higher Education,
22 State Board of Education, State Board of Career and Technology
23 Education, Oklahoma Department of Career and Technology Education,
24 Oklahoma School of Science and Mathematics, Oklahoma Center for the

1 Advancement of Science and Technology, State Department of
2 Rehabilitation Services, Oklahoma State Regents for Higher
3 Education, Department of Corrections, State Department of Education,
4 Oklahoma Board of Private Vocational Schools, Board of Regents of
5 Oklahoma Colleges, Oklahoma Student Loan Authority, or the Teachers'
6 Retirement System of Oklahoma, may elect to receive credit in the
7 Teachers' Retirement System of Oklahoma for those years of service
8 accumulated by the member in the Oklahoma Public Employees
9 Retirement System pursuant to this subsection. A member shall be
10 eligible to elect to receive credit for such years of service if:

- 11 a. the member is an active member of the Teachers'
12 Retirement System of Oklahoma,
- 13 b. the member provides notice to the Teachers' Retirement
14 System of Oklahoma and the Oklahoma Public Employees
15 Retirement System of the member's election to transfer
16 such retirement credit. The notice shall include a
17 list of the years to be transferred, and
- 18 c. the member is not receiving or eligible to receive
19 retirement credit or benefits from such service in any
20 other public retirement system, notwithstanding the
21 years of service sought to be transferred under this
22 subsection.

23 Members electing to take advantage of the transfer authorized by
24 this subsection shall have all service credit with the Oklahoma

1 Public Employees Retirement System canceled which is transferred to
2 the Teachers' Retirement System of Oklahoma.

3 2. For purposes of this subsection, the "sending system" shall
4 mean the Oklahoma Public Employees Retirement System. The
5 "receiving system" shall mean the Teachers' Retirement System of
6 Oklahoma. Within thirty (30) days after notification of an intent
7 to transfer is received by the sending system, the sending system
8 shall, according to its own rules, send to the receiving system all
9 employer and employee contributions made on behalf of the member
10 which were made to the sending system plus an additional amount of
11 earnings based on the actuarial assumed rate of the sending system.
12 Upon receipt of these contributions by the receiving system, the
13 receiving system shall give credit to the transferring member in an
14 amount equal to the years of service accrued in the sending system.

15 3. If the transferring member's normal retirement date
16 calculation is based upon the sum of the member's age and number of
17 years of credited service totaling eighty (80) in the sending
18 system, then the member shall retain such calculation in the
19 receiving system.

20 4. The Board of Trustees shall promulgate such rules as are
21 necessary to implement the provisions of this subsection.

22 Q. A former member of the Teachers' Retirement System of
23 Oklahoma who withdrew his or her contributions from the System prior
24 to January 1, 1983, and who had at least ten (10) years of service

1 in the System and purchased that service in the Oklahoma Public
2 Employees Retirement System, may elect to revoke that purchase from
3 the Oklahoma Public Employees Retirement System and to repay the
4 withdrawn contributions to the System in order to be eligible, once
5 such member reaches the normal retirement age, to receive a
6 retirement benefit that is based upon years of service and
7 compensation at the time such member terminated employment. In
8 addition, such former member may elect to transfer service credit
9 accrued in the Oklahoma Public Employees Retirement System to the
10 Teachers' Retirement System of Oklahoma pursuant to subsection K of
11 this section. The election, pursuant to this subsection, shall be
12 made prior to September 1, 2000. The election and the repayment
13 shall be made according to rules promulgated by the Board.

14 SECTION 3. Section 1 of this act shall become effective June 1,
15 2026.

16 SECTION 4. Section 2 of this act shall become effective July 1,
17 2026.

18 SECTION 5. It being immediately necessary for the preservation
19 of the public peace, health or safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

22 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT
23 RESOURCES
24 February 17, 2026 - DO PASS AS AMENDED