

**SENATE FLOOR VERSION**

February 17, 2026

SENATE BILL NO. 134

By: Frix of the Senate

and

Bashore of the House

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2021, Section 914, which relates to retirement provisions; updating statutory reference; updating statutory language; modifying separation period for employee prior to rehiring with participating employer; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 914, is amended to read as follows:

Section 914. A. The normal retirement date for a member of the Oklahoma Public Employees Retirement System shall be as defined in Section 902 of this title, provided members employed on or after January 1, 1983, shall have six (6) or more years of full-time-equivalent employment with a participating employer before receiving any retirement benefits or, if the member is a legislative session employee of the Legislature, shall have three (3) or more years of full-time-equivalent employment with a participating employer before

1 receiving any retirement benefits. In no event shall a normal  
2 retirement date for a member be before six (6) months after the  
3 entry date of the participating employer by whom he or she is  
4 employed.

5 B. A member may be employed beyond the normal retirement date  
6 by the appointing authority of the participating employer. However,  
7 the member may not receive retirement pay so long as the member  
8 continues employment under ~~this act~~ Section 901 et seq. of this  
9 title. Any member who has terminated employment with a  
10 participating employer prior to the month immediately preceding ~~said~~  
11 the member's normal retirement date must elect a vested benefit  
12 pursuant to Section 917 of this title before receiving any  
13 retirement benefits.

14 C. Notice for retirement shall be filed through the retirement  
15 coordinator for the participating employer in such form and manner  
16 as the ~~Board~~ Oklahoma Public Employees Retirement System Board of  
17 Trustees shall prescribe; provided, that such notice for retirement  
18 shall be filed with the office of the retirement system at least  
19 sixty (60) days prior to the date selected for the member's  
20 retirement; provided further, that the Executive Director may waive  
21 the sixty-day notice for good cause shown as defined by the Board.

22 1. The participating employer shall provide the System with the  
23 following information for a retiring member, no later than the  
24

1 fifteenth day of the month of retirement: last day physically on  
2 the job; last day on payroll; and final unused sick leave balance.

3 2. Failure to submit this information by the deadline, or  
4 errors in submitted information that result in a disqualification of  
5 retirement eligibility, shall be the responsibility of the  
6 participating employer. In cases where the error results in  
7 disqualification of retirement eligibility, it is the participating  
8 employer's responsibility to reemploy the member, or retain the  
9 member on the payroll, for time period required to reach  
10 eligibility, not exceeding two (2) months.

11 D. No retirement benefits shall be payable to any member until  
12 the first day of the month following the termination of the member's  
13 employment with any participating employer. The type of retirement  
14 benefit selected by a member may not be changed on or after the  
15 effective date of the member's retirement. Receipt of workers'  
16 compensation benefits shall in no respect disqualify the retiree for  
17 benefits.

18 E. If a retiree should be elected or appointed to any position  
19 or office for which compensation for service is paid from levies or  
20 taxes imposed by the state or any political subdivision thereof, the  
21 retiree shall not receive any retirement benefit for any month for  
22 which the retiree serves in such position or office after the  
23 retiree has received compensation in a sum equal to the amount  
24 allowable as wages or earnings by the Social Security Administration

1 in any calendar year. This subsection shall not apply to service  
2 rendered by a retiree as a juror, as a witness in any legal  
3 proceeding or action, as an election board judge or clerk, or in any  
4 other office or position of a similar nature, or to an employer that  
5 is not a participating employer. Provided<sup>7</sup> further, that any  
6 participating employer who is employing such a retiree shall make  
7 proper written notification to the System informing it of the  
8 beginning date of such retiree's employment and the date such  
9 retiree reaches the maximum compensation allowed by this section in  
10 the calendar year. Any retiree returning to work for a  
11 participating employer shall make contributions to the System and  
12 the employer shall do likewise. All retirees who have returned to  
13 employment and participation in the System following retirement  
14 shall have post-retirement benefits calculated on one of the  
15 following methods:

16 1. All service accumulated from date of reemployment shall be  
17 computed based on the benefit formula applicable at that time and  
18 the additional benefits shall be added to the previous benefits.  
19 Such additional benefits shall be calculated each year based upon  
20 additional service accrued from July 1 to June 30 of the previous  
21 year and the additional benefit, if any, will be added to the  
22 retiree's monthly benefit beginning January 1, 2000, and each  
23 January 1 thereafter. However, the post-retirement service credit  
24 shall be cumulative, beginning with service credit accrued after the

1 date of retirement, provided that the retiree has not received a  
2 distribution of the post-retirement contributions-;

3 2. Any retiree who returns to employment with a participating  
4 employer may elect not to receive any retirement benefits while so  
5 reemployed. If such an election is made and reemployment is for a  
6 minimum period of thirty-six (36) consecutive months, all service  
7 accumulated from date of reemployment shall be participating  
8 service. For purposes of determining the retirement benefits of  
9 such a member upon the termination of such reemployment all  
10 creditable service of the member shall be computed based on the  
11 benefit formula applicable at the time of termination of such  
12 reemployment. Provided, a retiree who became reemployed prior to  
13 July 1, 1982, and who is reemployed for a minimum of thirty-six (36)  
14 consecutive months shall have all the creditable service of such  
15 retiree computed based on the benefit formula applicable at the time  
16 of termination of such reemployment if the retiree elects not to  
17 receive retirement benefits prior to such termination of  
18 reemployment. A retiree who has waived receipt of the monthly  
19 benefit, but is not reemployed for the full thirty-six (36)  
20 consecutive months, shall upon termination of such reemployment have  
21 only the additional amount added to his or her benefit as if they  
22 had not waived the benefit as provided in paragraph 1 of this  
23 subsection-;

1       3. All post-retirement additional benefits shall be calculated  
2 using actual hours worked as well as the actual compensation  
3 received and upon which contributions are paid. Post-retirement  
4 service is not subject to the partial year round-up provisions of  
5 subsection C of Section 913 of this title; or

6       4. A retired member who returns to work for a participating  
7 employer pursuant to this section shall be bound by the election  
8 made pursuant to paragraph (2) of subsection A of Section 915 of  
9 this title if the member had made such election prior to retirement.  
10 If the member had not made such election prior to retirement, the  
11 member may do so during the member's reemployment with a  
12 participating employer pursuant to this section. A retired member  
13 may not be rehired by their former employer, nor may the retired  
14 member be permitted to enter into an employment contract of any kind  
15 with a former employer, for a period of ~~one (1) year~~ six months  
16 after the retired member ended his or her employment with the former  
17 employer unless the retired member waives his or her benefit under  
18 paragraph 2 of this subsection and returns as a bona fide employee.

19       F. Except as otherwise provided by subsection G of this  
20 section, any member may elect to retire before his or her normal  
21 retirement date on the first day of any month coinciding with or  
22 following the attainment of age fifty-five (55), provided such  
23 member has completed ten (10) years of participating service, but in  
24 no event before six (6) months after the entry date. Any member who

1 shall retire before the normal retirement date shall receive an  
 2 annual retirement benefit adjusted in accordance with the following  
 3 percentage schedule:

4		Percentage of Normal
5	Age	Retirement Benefit
6	62	100.00%
7	61	93.33%
8	60	86.67%
9	59	80.00%
10	58	73.33%
11	57	66.67%
12	56	63.33%
13	55	60.00%

14 G. Any member whose first participating service occurs on or  
 15 after November 1, 2011, may elect to retire before his or her normal  
 16 retirement date on the first day of any month coinciding with or  
 17 following the attainment of age sixty (60), provided such member has  
 18 completed ten (10) years of participating service, but in no event  
 19 before six (6) months after the entry date. Any member who shall  
 20 retire before the normal retirement date shall receive an annual  
 21 retirement benefit adjusted in accordance with the following  
 22 percentage schedule:

23		Percentage of Normal
24	Age	Retirement Benefit

1	65	100.00%
2	64	93.33%
3	63	86.67%
4	62	80.00%
5	61	73.33%
6	60	66.67%

7 SECTION 2. This act shall become effective November 1, 2026.

8 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT  
9 RESOURCES

10 February 17, 2026 - DO PASS

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