

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 4331 By: Moore

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6 AS INTRODUCED7 An Act relating to retirement; amending 70 O.S. 2021,
8 Sections 17-103, as amended by Section 2, Chapter
9 300, O.S.L. 2024, 17-105.2, 17-108.2, and 17-116.2
10 (70 O.S. Supp. 2025, Section 17-103), which relate to
11 the Teachers' Retirement System of Oklahoma;
12 modifying dates; providing that an individual elected
13 to certain position shall be a member of the System
in certain circumstances; modifying provisions
related to partial lump sum payments; providing that
a certified athletic trainer shall be credited
certain amount based on teaching experience;
modifying provisions related to election or
appointment; and providing an effective date.

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

17 SECTION 1. AMENDATORY 70 O.S. 2021, Section 17-103, as

18 amended by Section 2, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2025,
19 Section 17-103), is amended to read as follows:

20 Section 17-103. Except as provided in the Alternate Retirement

21 Plan for Comprehensive Universities Act, the membership of the
22 retirement system shall consist of the following:

23 A. All classified personnel shall become members of the

24 retirement system as a condition of their employment.

1 B. For the period from August 2, 1969, to June 30, 2021, all
2 full-time nonclassified optional personnel regularly employed for
3 more than one (1) year may join the Teachers' Retirement System of
4 Oklahoma subject to the rules and regulations adopted pursuant to
5 the Teachers' Retirement System of Oklahoma. On or after July 1,
6 2021, all nonclassified optional personnel regularly employed for
7 twenty (20) hours or more per week may join the System upon hiring
8 or eligibility, subject to the provisions of subsection C of this
9 section and the rules and regulations adopted by the System pursuant
10 to Section 17-101 et seq. of this title.

11 C. 1. Nonclassified optional personnel shall have thirty (30)
12 days from the initial date of hire or eligibility to make a one-time
13 irrevocable election to opt out of participation in the System, in a
14 manner required by the Board of Trustees. If an eligible employee
15 fails to make an election within the thirty-day period, the eligible
16 employee shall be deemed to participate in the System.

17 2. If an eligible employee elects to opt out of participation
18 in the System, the employee shall not make any required employee
19 contributions to the System and the employee's employer shall not
20 make any required employer contributions to the System.

21 3. If an eligible nonclassified optional employee does not
22 timely opt out of participation in the System, such an employee
23 shall make employee contributions to the System pursuant to Section
24 17-116.2 of this title and the employer shall make employer

1 contributions to the System pursuant to Section 17-108.1 of this
2 title. Nothing in this subsection shall be construed to prohibit
3 the employer from making the contribution of the employee to the
4 System on behalf of the employee.

5 4. Nonclassified optional personnel who opt out of
6 participation in the System shall be ineligible for future
7 participation in the System; provided, however, that if such an
8 employee is hired for a classified position, he or she shall become
9 a member of the System pursuant to subsection A of this section but
10 shall not be eligible for prior service credit for service performed
11 while employed in a nonclassified position during which the employee
12 opted out of participation in the System.

13 D. The Board of Trustees may, in its discretion, deny the right
14 to become members to any class of members whose compensation is only
15 partly paid by the state, or who is serving on a temporary or other
16 than per annum basis, and it also may, in its discretion, make the
17 individual entrance into the retirement system for members in any
18 such class optional.

19 E. Should any non-vested member, in any period of six (6)
20 consecutive years after becoming a member, be absent from service
21 more than five (5) years, withdraw his or her contributions, ~~retire~~
22 or die, he or she shall thereupon cease to be a member. The
23 provisions of this subsection shall not apply to any member of the
24 Teachers' Retirement System of Oklahoma who has been a member of

1 such classes of military services as may be approved by the Board of
2 Trustees, until a period of one and one-half (1 1/2) years from date
3 of termination of such service shall have elapsed.

4 F. Effective November 1, 2019 2026, a retired member of the
5 Teachers' Retirement System of Oklahoma who becomes employed by the
6 State Department of Education for the first time on or after
7 November 1, 2019 2026, shall ~~have the option to remain a member of~~
8 ~~the Teachers' Retirement System of Oklahoma subject to any~~
9 ~~applicable limitations placed on retired members returning to work~~
10 ~~or may choose to~~ participate as an active member in the Oklahoma
11 Public Employees Retirement System defined benefit plan or the
12 Oklahoma Public Employees Retirement System defined contribution
13 system, whichever is applicable under the laws and rules governing
14 those systems.

15 G. Notwithstanding the foregoing subsection F of this section
16 or the requirements of paragraphs 8 and 9 of subsection A of Section
17 913.4 of Title 74 of the Oklahoma Statutes, if the individual
18 elected to State Superintendent of Public Instruction has any
19 previous membership in the Teachers' Retirement System of Oklahoma,
20 the State Superintendent of Public Instruction shall be a member of
21 the Teachers' Retirement System of Oklahoma pursuant to the
22 governing laws and rules of the Teachers' Retirement System of
23 Oklahoma.

1 SECTION 2. AMENDATORY 70 O.S. 2021, Section 17-105.2, is
2 amended to read as follows:

3 Section 17-105.2. A. A member who is eligible to retire on or
4 after normal retirement age with at least thirty (30) years of
5 creditable service may elect to receive a partial lump-sum payment
6 on the date of retirement and a reduced annuity. The partial lump-
7 sum payment shall be an amount equal to the unreduced retirement
8 benefit, ~~which shall be referred to as the "Maximum Retirement~~
9 ~~Allowance" for purposes of this section,~~ which would have been paid
10 over a period of twelve (12), twenty-four (24), or thirty-six (36)
11 months, had the lump-sum option not been elected. Once the payout
12 amount is elected, a ~~the~~ reduced ~~Maximum Retirement Allowance~~
13 annuity is then calculated using factors adopted by the Board of
14 Trustees based upon the System's actuarial expected rate of return
15 and the member's age at retirement and the payout option (twelve
16 (12), twenty-four (24), or thirty-six (36) months) elected. This
17 reduced ~~Maximum Retirement Allowance~~ annuity shall also be reduced
18 in accordance with any retirement options the member has elected
19 pursuant to Section 17-105 of ~~Title 70 of the Oklahoma Statutes this~~
20 title.

21 B. The partial lump-sum payment, authorized pursuant to this
22 section, shall be ~~paid in a check separate~~ issued separately from
23 the regular monthly retirement benefit. The total amount of the
24 partial lump-sum payment shall be deducted from the member's account

1 balance consisting of the employee contributions plus interest
2 earned prior to July 1, 1968, for purposes of determining unused
3 contributions remaining in the account. The member may elect to
4 rollover the taxable portion of the partial lump-sum payment to an
5 eligible retirement plan or individual retirement account (IRA).
6 The nontaxable portion of the partial lump-sum payment can be rolled
7 over to an IRA or another qualified retirement plan as allowed by
8 the Internal Revenue Code and regulations. This partial lump-sum
9 payment shall be subject to federal income tax in accordance with
10 the Internal Revenue Code Section 72 and other such Internal Revenue
11 Code sections and regulations as may be applicable. This partial
12 lump-sum benefit is subject to the same restrictions for assignment
13 and attachment as all other retirement benefits. The appropriate
14 portion of the partial lump-sum distribution will be reported to the
15 Internal Revenue Service (IRS) as taxable income and appropriate tax
16 withholdings will be withheld unless the member elects to make a
17 direct rollover of the taxable portion of the funds. Should the
18 member have after-tax contributions, a portion of such after-tax
19 contributions will be allocated to the partial lump-sum payment and
20 to the remaining annuity on a prorata basis.

21 C. The partial lump-sum option under this section may be
22 elected only once by a member and may not be elected by a retiree.

23 D. The board of trustees shall promulgate any rules necessary
24 for the implementation of this section.

1 SECTION 3. AMENDATORY 70 O.S. 2021, Section 17-108.2, is
2 amended to read as follows:

3 Section 17-108.2. A. Beginning July 1, 2019, and for each plan
4 year thereafter, a person employed by any school district or
5 employed by a technology center school district, who holds a valid
6 certificate issued by the State Department of Education or the State
7 Board of Career and Technology Education, and is employed on a full-
8 time basis to serve as a teacher, principal, supervisor,
9 administrator, superintendent, counselor, librarian ~~or~~, certified or
10 registered nurse, or as a certified athletic trainer pursuant to
11 Section 1-116 of this title shall have credited against the employee
12 contribution amount, an annual amount based upon qualifying years of
13 service teaching experience as follows:

14	YEARS OF <u>SERVICE</u> <u>EXPERIENCE</u>	CREDIT AMOUNT
15	0	\$60.15
16	1	\$103.41
17	2	\$145.65
18	3	\$188.15
19	4	\$233.33
20	5	\$278.76
21	6	\$325.26
22	7	\$372.82
23	8	\$421.44
24	9	\$471.12

1	10	\$521.87
2	11	\$573.67
3	12	\$626.54
4	13	\$680.48
5	14	\$735.47
6	15	\$791.53
7	16	\$848.65
8	17	\$906.83
9	18	\$966.07
10	19	\$1,026.38
11	20	\$1,087.75
12	21	\$1,150.18
13	22	\$1,213.68
14	23	\$1,278.23
15	24	\$1,343.85
16	25 or more	\$1,410.53

17 B. The state shall pick up for tax purposes and pay the annual
18 amount prescribed by subsection A of this section, based upon the
19 conditions prescribed by subsection A of this section, to the
20 Teachers' Retirement System. The annual amount prescribed by
21 subsection A of this section shall be divided into monthly amounts
22 as may be required in order to give full effect to the credit amount
23 without the necessity of dividing the annual credit amount into
24 twelve (12) equal installments.

1 C. If an eligible member under this section terminates service
2 prior to June 30 of any applicable plan year, the amounts prescribed
3 by subsection A of this section, and transferred to the Teachers'
4 Retirement System from the State Board of Education and the State
5 Board of Career and Technology Education shall be retained by the
6 Teachers' Retirement System of Oklahoma and treated as an actuarial
7 gain of the System.

8 D. If an employing school district has contractually committed
9 to make payment of the employee contributions required by Section
10 17-116.2 of this title for a member who is eligible for the credit
11 amount prescribed by subsection A of this section for the fiscal
12 year, using funds available to the district and not by effecting the
13 employee contribution through a deduction from the member's gross
14 salary, the district shall pay additional compensation to each of
15 its eligible teachers in an amount equal to the amount prescribed by
16 subsection A of this section based upon the number of years of
17 teaching experience of the eligible member.

18 E. If an eligible member is hired by a school district or a
19 technology center school district and receives compensation for less
20 than one hundred eighty (180) days of service, the district shall
21 determine a pro rata amount of the annual credit amount and shall
22 pay additional compensation to the member equal to the pro rata
23 amount for each month during which the member is employed. The
24 monthly credit amount for such member shall be added to the member's

1 compensation beginning with the first full month during which the
2 member is employed by the district.

3 F. The amount required to be added to the compensation of the
4 eligible member pursuant to subsection D of this section shall be
5 subject to any applicable federal or state taxes upon the additional
6 income.

7 G. The amount required to be added to the compensation of the
8 eligible member pursuant to subsection D of this section shall not
9 be treated as regular annual compensation for purposes of Section
10 17-116.2 of this title or as salary or fringe benefits for purposes
11 of determining any applicable statutory minimum salary requirements
12 or for purposes of meeting the requirements of any locally adopted
13 salary schedule.

14 H. The employing district shall prepare its payroll records to
15 reflect that the total employee contribution amount, for the salary
16 not in excess of the applicable minimum salary amount, has been paid
17 pursuant to a combination of the payment from the funds of the
18 employing district and the amount credited to the employee
19 contribution account of the member pursuant to subsection A of this
20 section.

21 I. If an employing school district has contractually committed
22 to deduct employee contributions required by Section 17-116.2 of
23 this title by effecting the employee contribution through a
24 deduction from the member's gross salary, the district shall

1 decrease the amount of the payroll deduction for such employee
2 contribution by the amount as prescribed in subsection A of this
3 section, based upon the number of years of teaching experience of
4 the member. The amount required to be subtracted from the amount by
5 which the employee's gross salary would otherwise be reduced
6 pursuant to this subsection shall be subject to any applicable
7 federal or state taxes. The employing district shall prepare its
8 payroll records to reflect that the total employee contribution
9 amount, for the salary not in excess of the applicable minimum
10 salary amount, has been paid pursuant to a combination of the
11 deduction from the member's salary and the amount credited to the
12 employee contribution account of the member pursuant to subsection A
13 of this section.

14 SECTION 4. AMENDATORY 70 O.S. 2021, Section 17-116.2, is
15 amended to read as follows:

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

23 A classified member who retired prior to July 1, 1986, shall
24 have the member's retirement allowance calculated on a minimum

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

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

24

1 2. Beginning July 1, 1995, a member, who has no service
2 performed on or after July 1, 1995, for an entity or institution
3 within The Oklahoma State System of Higher Education, who retires on
4 or after the member's normal retirement age or whose retirement is
5 because of disability shall receive an annual allowance for life,
6 payable monthly as follows:

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

13 b. if the member became a member or is eligible to become
14 a member prior to July 1, 1995, and elected to have a
15 maximum compensation level in excess of Twenty-five
16 Thousand Dollars (\$25,000.00) pursuant to paragraph 1
17 of subsection C of this section or pursuant to
18 subsection E of this section, or if the member's
19 salary has never exceeded Twenty-five Thousand Dollars
20 (\$25,000.00) prior to July 1, 1995, in an amount equal
21 to:

22 (1) two percent (2%) of the member's average salary
23 upon which member contributions were made not to
24 exceed Forty Thousand Dollars (\$40,000.00),

multiplied by the number of the member's years of credited service authorized and performed prior to July 1, 1995, plus any years of prior service authorized under this title, plus

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

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

(1) two percent (2%) of the member's average salary upon which member contributions were made not to exceed Twenty-five Thousand Dollars (\$25,000.00), multiplied by the number of the member's years of credited service authorized and performed prior

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

(2) two percent (2%) of the member's average salary upon which member contributions were made, multiplied by the number of the member's years of credited service authorized and performed after

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

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

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

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

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

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

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

a. beginning July 1, 1992, through June 30, 1993, eleven percent (11%) of the regular annual compensation of

1 such member that is in excess of Twenty-five Thousand
2 Dollars (\$25,000.00) and is not in excess of Forty
3 Thousand Dollars (\$40,000.00),

4 b. beginning July 1, 1993, through June 30, 1994, nine
5 percent (9%) of the regular annual compensation of
6 such member that is in excess of Twenty-five Thousand
7 Dollars (\$25,000.00) and is not in excess of Forty
8 Thousand Dollars (\$40,000.00), and
9 c. beginning July 1, 1994, through June 30, 1995, eight
10 percent (8%) of the regular annual compensation of
11 such member that is in excess of Twenty-five Thousand
12 Dollars (\$25,000.00) and is not in excess of Forty
13 Thousand Dollars (\$40,000.00). Except as provided in
14 subsection E of this section, any such election shall
15 be irrevocable.

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

1 regular annual compensation of each member who is employed by an
2 entity or institution within The Oklahoma State System of Higher
3 Education in excess of Twenty-five Thousand Dollars (\$25,000.00),
4 but not in excess of any applicable maximum compensation level of
5 the member.

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

23 2. Any changes made pursuant to this subsection shall be
24 irrevocable.

1 E. 1. An individual who withdrew from the Teachers' Retirement
2 System and whose salary was in excess of Seven Thousand Eight
3 Hundred Dollars (\$7,800.00) and had elected to contribute only on
4 Seven Thousand Eight Hundred Dollars (\$7,800.00) before his or her
5 withdrawal shall contribute on the earning ceiling as provided for
6 in this section on his or her reentry into membership in the
7 Teachers' Retirement System.

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

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

23 F. Each employer shall cause to be deducted from the salary of
24 each member on each and every payroll of such employer for each and

1 every payroll period, the proper percentage of his or her earnable
2 compensation as provided for in subsection B or subsection C of this
3 section.

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

1 service in Oklahoma from the date of establishment of the System in
2 1943 to date of membership, in a lump sum, or in installments equal
3 to establishing one (1) year of creditable service. For purposes of
4 this option, teaching service in Oklahoma shall include the teaching
5 of vocational agricultural courses within Oklahoma for the federal
6 government. Years for which contributions are paid shall count as
7 membership service under this plan. A member may receive credit for
8 not more than five (5) years of teaching service rendered while in
9 the Peace Corps or in the public schools of a territory of the
10 United States or the public schools, American Military Dependent
11 Schools or state colleges or state universities outside this state
12 by paying his or her contributions, plus interest, and membership
13 fees to the retirement system, subject to the regulations of the
14 Board of Trustees, providing he or she is not receiving and is not
15 eligible to receive retirement credit or benefits from said service
16 in any other public retirement system of this state, or any other
17 state or territory of the United States subject to the following
18 provisions:

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

1 b. prior to January 1, 1991, the out-of-state or
2 noncovered in-state payment shall be the normal cost,
3 which means the single sum which would have been paid
4 under existing law at the time the service was
5 performed, plus interest, on the basis of what his or
6 her annual salary would have been in Oklahoma or out
7 of state, whichever is greater, had he or she been
8 employed as a teacher. Effective January 1, 1991, the
9 Peace Corps, territorial, out-of-state or noncovered
10 in-state payment shall be the amount determined by the
11 Board of Trustees pursuant to Section 17-116.8 of this
12 title.

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

1 contract as a teacher at the time his or her service in the Armed
2 Forces commenced or in the case of a teacher who was not teaching
3 prior to entering the Armed Forces, on the basis of the salary of
4 the first year of teaching after being honorably discharged from the
5 Armed Forces. Effective January 1, 1991, the member will receive
6 such service upon payment of the amount determined by the Board of
7 Trustees pursuant to Section 17-116.8 of this title. Such
8 contributions shall be credited in the regular manner, and the
9 period for which said contributions were paid shall be counted as
10 creditable years of service and allocated to the period during which
11 the military service was rendered, except that the period for which
12 contributions were paid must have been continuous and shall be
13 credited in the aggregate, regardless of fiscal year limitations.
14 Notwithstanding any provision herein to the contrary, contributions,
15 benefits and service credit with respect to qualified military
16 service as defined by Section 414(u) of the Internal Revenue Code of
17 1986 shall be provided in accordance with Section 414(u) of the
18 Internal Revenue Code.

19 3. Retirement benefits for all service credits purchased
20 pursuant to this subsection shall be determined in accordance with
21 the provisions of paragraph 2 of 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~~ July 1, 2004, and shall not be retroactive.

9 H. Any member who:

10 1. ~~Shall~~ Prior to November 1, 2015, shall be absent from the
11 teaching service because of election to the State Legislature or
12 appointment to the executive branch in an education-related capacity
13 shall be allowed thirty (30) days from the date as of which the
14 person is officially elected or appointed to file an election with
15 the Teachers' Retirement System to retain his or her membership in
16 the Teachers' Retirement System upon payment of the contribution
17 required of other members and employers of said members as provided
18 for in this section and his or her service credits shall continue to
19 be accumulated during such absence, provided he or she is not
20 receiving retirement credits or benefits from said service beginning
21 after July 1, 1992, in other 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

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

b. Within thirty (30) days notification of an intent to transfer is received by the receiving system, the receiving system shall determine, according to the system's own rules and regulations, the present value of the member's incremental projected benefits discounted according to the member's age at the time of the transfer. Incremental projected benefits shall be the difference between the projected benefit said member would receive without transferring the service credit and the projected benefit after transfer of service credit computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest, salary projections and 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

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

Such an election shall be made in writing, filed with the System prior to receiving the credit provided for in paragraph 1 of this subsection, and shall be 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. O. 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. P. 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 5. This act shall become effective November 1, 2026.

15
16 60-2-14743 CMA 01/13/26
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THOMAS E. CUMMINS CONSULTING ACTUARY, INC.
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January 13, 2026

Representative Moore
Room 406

Re: RBH No. 14743

RBH No. 14743 would make a retired OTRS participant who becomes employed by State Department of Education after 11/1/2026 a participant in OPERS defined benefit plan or OPERS defined contribution plan.

If a person is elected to State Superintendent of Public Education with previous OTRS participation the person shall participate in OTRS.

Certified athletic trainers are eligible to participate in OTRS under this bill.

RBH No. 14743 is a non fiscal bill as defined by OPLAAA.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Thomas E. Cummins

Thomas E. Cummins, MAAA