

1 STATE OF OKLAHOMA

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

3 SENATE BILL 2039 By: Goodwin

6 AS INTRODUCED

7 An Act relating to the Teachers' Retirement System of
8 Oklahoma; amending 62 O.S. 2021, Section 3103, as
9 last amended by Section 1, Chapter 357, O.S.L. 2024
(62 O.S. Supp. 2025, Section 3103), which relates to
10 the Oklahoma Pension Legislation Actuarial Analysis
11 Act; modifying term; amending 70 O.S. 2021, Section
12 17-116.2, which relates to retirement allowance;
13 defining certain term for purpose of purchasing
service credits; allowing for retired members to
purchase service credits at certain rate; updating
statutory language; updating statutory reference;
providing effective dates; and declaring an
emergency.

14
15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as
17 last amended by Section 1, Chapter 357, O.S.L. 2024 (62 O.S. Supp.
18 2025, Section 3103), is amended to read as follows:

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

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

1 committee of the House of Representatives or Senate, or by the House
2 of Representatives or Senate;

3 2. "RB number" means that number preceded by the letters "RB"
4 assigned to a retirement bill by the respective staffs of the
5 ~~Oklahoma State~~ Senate and the ~~Oklahoma~~ House of Representatives when
6 the respective staff office prepares a retirement bill for a member
7 of the Legislature;

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

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

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

18 a. which does not affect the cost or funding factors of a
19 retirement system,

20 b. which affects such factors only in a manner which does
21 not:

22 (1) grant a benefit increase under the retirement
23 system affected by the bill,

24

- (2) create an actuarial accrued liability for or increase the actuarial accrued liability of the retirement system affected by the bill, or
- (3) increase the normal cost of the retirement system affected by the bill,

c. which authorizes the purchase by an active member of the retirement system, at the actuarial cost for the purchase as computed pursuant to the statute in effect on the effective date of the measure allowing such purchase, of years of service for purposes of reaching a normal retirement date in the applicable retirement system, but which cannot be used in order to compute the number of years of service for purposes of computing the retirement benefit for the member,

d. which provides for the computation of a service-connected disability retirement benefit for members of the Oklahoma Law Enforcement Retirement System pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes if the members were unable to complete twenty (20) years of service as a result of the disability,

e. which requires membership in the defined benefit plan authorized by Section 901 et seq. of Title 74 of the Oklahoma Statutes for persons whose first elected or appointed service occurs on or after November 1, 2018,

1 if such persons had any prior service in the Oklahoma
2 Public Employees Retirement System prior to November
3 1, 2015,

4 f. which provides for a one-time increase in retirement
5 benefits if the increase in retirement benefits is not
6 a permanent increase in the gross annual retirement
7 benefit payable to a member or beneficiary, occurs
8 only once pursuant to a single statutory
9 authorization, and does not exceed:

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

18 (2) the lesser of two percent (2%) of the gross
19 annual retirement benefit of the member or One
20 Thousand Two Hundred Dollars (\$1,200.00) and
21 requires that the benefit may only be provided if
22 the funded ratio of the affected retirement
23 system would be greater than eighty percent (80%)

but not greater than one hundred percent (100%)

after the benefit increase is paid,

- (3) the lesser of two percent (2%) of the gross annual retirement benefit of the member or One Thousand Four Hundred Dollars (\$1,400.00) and requires that the benefit may only be provided if the funded ratio of the affected retirement system would be greater than one hundred percent (100%) after the benefit increase is paid, or
- (4) the greater of two percent (2%) of the gross annual retirement benefit of the volunteer firefighter or One Hundred Dollars (\$100.00) for persons who retired from the Oklahoma Firefighters Pension and Retirement System as volunteer firefighters and who did not retire from the Oklahoma Firefighters Pension and Retirement System as a paid firefighter.

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

g. which modifies the disability pension standard for police officers who are members of the Oklahoma Police

Pension and Retirement System as provided by Section 50-115 of Title 11 of the Oklahoma Statutes,

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

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

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

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

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

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

(6) Section 930.11 of Title 74 of the Oklahoma Statutes.

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

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

1 k. which increases the computation factor used to
2 calculate the accrued retirement benefit and normal
3 disability benefit pursuant to Section 50-101 of Title
4 11 of the Oklahoma Statutes,
5 l. which increases the municipal contribution, employee
6 contribution, or both for members of the Oklahoma
7 Police Pension and Retirement System pursuant to
8 Sections 50-109 and 50-110 of Title 11 of the Oklahoma
9 Statutes, ~~or~~
10 m. which modifies the computation of a retirement annuity
11 pursuant to Section 50-111.1 of Title 11 of the
12 Oklahoma Statutes, or
13 n. which relates to the purchase of service credits, as
14 provided for in Section 17-116.2 of Title 70 of the
15 Oklahoma Statutes.

16 A nonfiscal retirement bill shall include any retirement bill that
17 has as its sole purpose the appropriation or distribution or
18 redistribution of monies in some manner to a retirement system for
19 purposes of reducing the unfunded liability of such system or the
20 earmarking of a portion of the revenue from a tax to a retirement
21 system or increasing the percentage of the revenue earmarked from a
22 tax to a retirement system;

23 6. "Reduction-in-cost amendment" means an amendment to a
24 retirement bill having a fiscal impact which reduces the cost of the

1 bill as such cost is determined by the actuarial investigation for
2 the bill prepared pursuant to Section 3109 of this title;

3 7. "Retirement bill" means any bill or joint resolution
4 introduced or any bill or joint resolution amended by a member of
5 the Legislature which creates or amends any law directly affecting a
6 retirement system. A retirement bill shall not mean a bill or
7 resolution that impacts the revenue of any state tax in which a
8 portion of the revenue generated from such tax is earmarked for the
9 benefit of a retirement system;

10 8. "Retirement bill having a fiscal impact" means any
11 retirement bill creating or establishing a retirement system and any
12 other retirement bill other than a nonfiscal retirement bill; and

13 9. "Retirement system" means the Teachers' Retirement System of
14 Oklahoma, the Oklahoma Public Employees Retirement System, the
15 Uniform Retirement System for Justices and Judges, the Oklahoma
16 Firefighters Pension and Retirement System, the Oklahoma Police
17 Pension and Retirement System, the Oklahoma Law Enforcement
18 Retirement System, or a retirement system established after January
19 1, 2006.

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

22 Section 17-116.2. A. 1. Beginning July 1, 1987, and prior to
23 July 1, 1995, a member who retires on or after the member's normal
24 retirement age or whose retirement is because of disability shall

1 receive an annual allowance for life, payable monthly, in an amount
2 equal to two percent (2%) of the member's highest three-year average
3 salary upon which member contributions were made, multiplied by the
4 number of the member's years of creditable service.

5 A classified member who retired prior to July 1, 1986, shall
6 have the member's retirement allowance calculated on a minimum
7 average salary of Eleven Thousand Five Hundred Dollars (\$11,500.00)
8 or on the member's current minimum average salary plus Two Thousand
9 Dollars (\$2,000.00), whichever is greater. Beginning July 1, 1994,
10 a classified member who retired prior to July 1, 1993, shall have
11 the member's retirement allowance calculated on the member's current
12 minimum average salary plus Five Hundred Fifty Dollars (\$550.00).
13 An unclassified member who retired prior to July 1, 1986, shall have
14 the member's retirement allowance calculated on a minimum average
15 salary of Nine Thousand Five Hundred Dollars (\$9,500.00) or on the
16 member's current minimum average salary plus One Thousand Dollars
17 (\$1,000.00), whichever is greater. Beginning July 1, 1994, an
18 unclassified member who retired prior to July 1, 1993, shall have
19 the member's retirement allowance calculated on the member's current
20 minimum average salary plus Two Hundred Seventy-five Dollars
21 (\$275.00). Those individuals receiving benefits pursuant to
22 subsection (3) of Section 17-105 of this title whose benefits
23 commenced prior to July 1, 1993, shall receive an increase in
24

1 benefits of two and one-half percent (2 1/2%). No retirement
2 benefit payments shall be made retroactively.

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

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

13 a. if the member becomes a member after June 30, 1995,
14 and was not eligible to become a member prior to July
15 1, 1995, in an amount equal to two percent (2%) of the
16 member's average salary upon which member
17 contributions were made, multiplied by the number of
18 the member's years of creditable service, or

19 b. if the member became a member or is eligible to become
20 a member prior to July 1, 1995, and elected to have a
21 maximum compensation level in excess of Twenty-five
22 Thousand Dollars (\$25,000.00) pursuant to paragraph 1
23 of subsection C of this section or pursuant to
24 subsection E of this section, or if the member's

1 salary has never exceeded Twenty-five Thousand Dollars
2 (\$25,000.00) prior to July 1, 1995, in an amount equal
3 to:

4 (1) two percent (2%) of the member's average salary
5 upon which member contributions were made not to
6 exceed Forty Thousand Dollars (\$40,000.00),
7 multiplied by the number of the member's years of
8 credited service authorized and performed prior
9 to July 1, 1995, plus any years of prior service
10 authorized under this title, plus
11 (2) two percent (2%) of the member's average salary
12 upon which member contributions were made,
13 multiplied by the number of the member's years of
14 credited service authorized and performed after
15 June 30, 1995, or

16 c. if the member became a member or is eligible to become
17 a member prior to July 1, 1995, and was eligible to
18 elect to have a maximum compensation level in excess
19 of Twenty-five Thousand Dollars (\$25,000.00) and did
20 not elect or elected not to have a maximum
21 compensation level of Forty Thousand Dollars
22 (\$40,000.00) pursuant to paragraph 1 of subsection C
23 of this section or pursuant to subsection E of this
24 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 June 30, 1995.

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

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

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

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

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

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

1 Twenty-five Thousand Dollars (\$25,000.00). If a member makes such
2 an election, the member shall contribute the following amounts:
3 a. beginning July 1, 1992, through June 30, 1993, eleven
4 percent (11%) of the regular annual compensation of
5 such member that is in excess of Twenty-five Thousand
6 Dollars (\$25,000.00) and is not in excess of Forty
7 Thousand Dollars (\$40,000.00),
8 b. beginning July 1, 1993, through June 30, 1994, nine
9 percent (9%) of the regular annual compensation of
10 such member that is in excess of Twenty-five Thousand
11 Dollars (\$25,000.00) and is not in excess of Forty
12 Thousand Dollars (\$40,000.00), and
13 c. beginning July 1, 1994, through June 30, 1995, eight
14 percent (8%) of the regular annual compensation of
15 such member that is in excess of Twenty-five Thousand
16 Dollars (\$25,000.00) and is not in excess of Forty
17 Thousand Dollars (\$40,000.00). Except as provided in
18 subsection E of this section, any such election shall
19 be irrevocable.

20 2. After June 30, 1995, in addition to the amount contributed
21 by each member to the retirement system pursuant to subsection B of
22 this section, the total amount contributed by each member to the
23 retirement system shall include, beginning July 1, 1995, through
24 June 30, 1997, seven percent (7%) of the regular annual compensation

1 of each member, who is not employed by an entity or institution
2 within The Oklahoma State System of Higher Education, that is in
3 excess of Twenty-five Thousand Dollars (\$25,000.00) and beginning
4 July 1, 1996, through June 30, 1997, seven percent (7%) of the
5 regular annual compensation of each member who is employed by an
6 entity or institution within The Oklahoma State System of Higher
7 Education in excess of Twenty-five Thousand Dollars (\$25,000.00),
8 but not in excess of any applicable maximum compensation level of
9 the member.

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

1 include interest compounded annually at ten percent (10%) per annum
2 of both employer and employee contributions.

3 2. Any changes made pursuant to this subsection shall be
4 irrevocable.

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

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

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

1 percent (10%) per annum. Such payment shall be made prior to the
2 official retirement date of the member.

3 F. Each employer shall cause to be deducted from the salary of
4 each member on each and every payroll of such employer for each and
5 every payroll period, the proper percentage of his or her earnable
6 compensation as provided for in subsection B or subsection C of this
7 section.

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

1 creditable service. Effective January 1, 1991, any active
2 contributing member who joined the System subsequent to July 1,
3 1943, may pay the amount determined by the Board of Trustees
4 pursuant to Section 17-116.8 of this title for years of teaching
5 service in Oklahoma from the date of establishment of the System in
6 1943 to date of membership, in a lump sum, or in installments equal
7 to establishing one (1) year of creditable service. For purposes of
8 this option, teaching service in Oklahoma shall include the teaching
9 of vocational agricultural courses within Oklahoma for the federal
10 government. Years for which contributions are paid shall count as
11 membership service under this plan. A member may receive credit for
12 not more than five (5) years of teaching service rendered while in
13 the Peace Corps or in the public schools of a territory of the
14 United States or the public schools, American Military Dependent
15 Schools or state colleges or state universities outside this state
16 by paying his or her contributions, plus interest, and membership
17 fees to the retirement system, subject to the regulations of the
18 Board of Trustees, providing he or she is not receiving and is not
19 eligible to receive retirement credit or benefits from said service
20 in any other public retirement system of this state, or any other
21 state or territory of the United States subject to the following
22 provisions:

23 a. the The member is required to have two (2) years of
24 employed service teaching earned in Oklahoma for each

year of Peace Corps, territorial, out-of-state, noncovered in-state or military membership credit granted.

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

2. In addition to the deductions hereinabove provided for, any member who becomes a member of the Armed Forces of the United States of America during any period of national emergency, including World War II, the Korean conflict, the Vietnam conflict or others as may be determined by the Board of Trustees, or whose entrance into or training for the teaching profession was interrupted by his or her entrance into the Armed Forces, and who was or shall have become a member of the Teachers' Retirement System shall be granted the privilege of making up his or her five percent (5%) contributions as

1 provided for in this section until January 1, 1991, for not to
2 exceed five (5) years of service in the Armed Forces by electing to
3 pay said contributions on the basis of the rate of pay in his or her
4 contract as a teacher at the time his or her service in the Armed
5 Forces commenced or in the case of a teacher who was not teaching
6 prior to entering the Armed Forces, on the basis of the salary of
7 the first year of teaching after being honorably discharged from the
8 Armed Forces. Effective January 1, 1991, the member will receive
9 such service upon payment of the amount determined by the Board of
10 Trustees pursuant to Section 17-116.8 of this title. Such
11 contributions shall be credited in the regular manner, and the
12 period for which said contributions were paid shall be counted as
13 creditable years of service and allocated to the period during which
14 the military service was rendered, except that the period for which
15 contributions were paid must have been continuous and shall be
16 credited in the aggregate, regardless of fiscal year limitations.
17 Notwithstanding any provision herein to the contrary, contributions,
18 benefits, and service credit with respect to qualified military
19 service as defined by Section 414(u) of the Internal Revenue Code of
20 1986 shall be provided in accordance with Section 414(u) of the
21 Internal Revenue Code.

22 3. Retirement benefits for all service credits purchased
23 pursuant to this subsection shall be determined in accordance with
24 the provisions of paragraph 2 of this subsection. For the purposes

1 of purchasing service credits for prior military service, the term
2 "salary" shall solely mean the member's verified compensation during
3 the period of active military service, as provided in paragraph 2 of
4 this subsection.

5 G. Effective July 1, 2004, the total creditable service of a
6 member who retires or terminates employment and elects a vested
7 benefit shall include not to exceed one hundred twenty (120) days of
8 unused sick leave accumulated subsequent to August 1, 1959. Twenty
9 (20) days of unused sick leave shall equal one (1) month for
10 purposes of creditable service credit. If the member becomes a
11 member or was eligible to become a member prior to July 1, 1995, the
12 year of credit received in this section shall be treated as service
13 earned prior to July 1, 1995. This subsection shall apply to
14 members retiring or vesting on or after the effective date of this
15 act and shall not be retroactive.

16 H. Any member who:

17 1. Shall be absent from the teaching service because of
18 election to the State Legislature or appointment to the executive
19 branch in an education-related capacity shall be allowed thirty (30)
20 days from the date as of which the person is officially elected or
21 appointed to file an election with the Teachers' Retirement System
22 to retain his or her membership in the Teachers' Retirement System
23 upon payment of the contribution required of other members and
24 employers of said members as provided for in this section and his or

1 her service credits shall continue to be accumulated during such
2 absence, provided he or she is not receiving retirement credits or
3 benefits from said service beginning after July 1, 1992, in other
4 public retirement systems; or

5 2. Became an employee of the Oklahoma Commission for Teacher
6 Preparation on or subsequent to June 1, 2001, but prior to July 1,
7 2002, who was previously employed by a participating employer within
8 the Teachers' Retirement System of Oklahoma, may elect to cancel any
9 accumulated service credit accrued within the Oklahoma Public
10 Employees Retirement System on or after June 1, 2001, but prior to
11 July 1, 2002, by filing an election with the Oklahoma Public
12 Employees Retirement System for the cancellation of such service
13 credit. The election shall be irrevocable and shall require the
14 Oklahoma Public Employees Retirement System to transfer all
15 accumulated employer and employee contributions made on behalf of or
16 by the person making such election to the Teachers' Retirement
17 System for such period of time. The Teachers' Retirement System
18 shall compute the employee contributions that would have been made
19 to the System by such employee if the contributions had been
20 computed pursuant to this section. In order to receive the full
21 amount of creditable service for the period of time on or after June
22 1, 2001, but not later than June 30, 2002, the employee shall be
23 required to pay any difference between the transferred employee
24 contributions and the amount computed by the Teachers' Retirement

1 System. The employee may make payment of any required amount in the
2 manner provided by and subject to the requirements of Section 17-
3 116.8 of this title. After payment of all required employee
4 contributions, the Teachers' Retirement System shall credit the
5 period of time represented by the transferred employee contributions
6 as creditable service within the meaning of Section 17-101 of this
7 title. After the transfer of the employee contributions, the
8 Oklahoma Public Employees Retirement System shall cancel any service
9 credit previously accumulated for the period of time represented by
10 such transferred employee contributions. Any person who makes the
11 election provided for by this paragraph, and who continues
12 employment with the Oklahoma Commission for Teacher Preparation on
13 or after July 1, 2002, shall continue to accrue service credit in
14 the Teachers' Retirement System of Oklahoma. The employer shall
15 make employer contributions according to the requirements of Section
16 17-108.1 of this title and shall provide for the deduction of
17 employee contributions as required by this section.

18 I. Any member who shall be absent from the teaching service
19 because of election or appointment as a local, state or national
20 education association officer, prior to January 1, 2011, shall be
21 allowed to retain his or her membership in the Teachers' Retirement
22 System upon payment of the contribution required of other members
23 and employers of said members as provided for in this section and
24 his or her service credits shall continue to be accumulated during

1 such absence. Provided, however, any one such absence shall not
2 exceed twelve (12) continuous years. No member who has less than
3 ten (10) years of contributory service on July 1, 1994, may make
4 this election after June 30, 1994. Members contributing to the
5 System on July 1, 1994, may continue to contribute under this
6 subsection until they have completed eight (8) years allowed by this
7 subsection. The member may file for retirement when otherwise
8 eligible for retirement as provided by Section 17-105 of this title.

9 J. A member may receive credit for those years of service
10 accumulated by the member while employed by an entity which is a
11 participating employer in the Oklahoma Firefighters Pension and
12 Retirement System, the Oklahoma Police Pension and Retirement
13 System, the Uniform Retirement System for Justices and Judges, the
14 Oklahoma Law Enforcement Retirement System, or the Oklahoma Public
15 Employees Retirement System, if the member is not receiving or
16 eligible to receive retirement credit or benefits from said service
17 in any other public retirement system. A member also may receive
18 credit for those years of service with the Department of Wildlife
19 Conservation or with an employer that is a participating employer
20 within one of the state retirement systems specifically referred to
21 in this section when at the time of such service by the member the
22 employer was not such a participating employer, if the member is not
23 receiving or eligible to receive retirement credit or benefits from
24 said service in any other public retirement system. To receive the

1 service credit provided in this subsection, the member shall pay the
2 amount determined by the Board of Trustees pursuant to Section 17-
3 116.8 of this title. For purposes of this subsection, creditable
4 service transferred from the Oklahoma Public Employees Retirement
5 System shall include service authorized under paragraph (f) of
6 subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes
7 as amended from time to time. Members who retire prior to July 1,
8 1993, shall have their monthly benefit adjusted to include all
9 services accrued under paragraph (f) of subsection (2) of Section
10 913 of Title 74 of the Oklahoma Statutes. Provided however, any
11 adjustment of existing retirement benefits caused by reason of
12 inclusion of such service authorized under paragraph (f) of
13 subsection (2) of Section 913 of Title 74 of the Oklahoma Statutes
14 shall not affect any retirement benefit paid prior to July 1, 1993.

15 K. 1. An active member of the Teachers' Retirement System of
16 Oklahoma may receive credit for those years of service accumulated
17 by the member while a member of the Oklahoma Public Employees
18 Retirement System if:

- 19 a. the member is an active member of the Teachers'
20 Retirement System of Oklahoma, and
- 21 b. the member provides notice to the Oklahoma Public
22 Employees Retirement System and the Teachers'
23 Retirement System of Oklahoma of the member's election

to transfer said service credit. The notice shall include a list of the years to be transferred, and

c. the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system, notwithstanding the years of service sought to be transferred under this subsection.

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

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

a. Within thirty (30) days notification of an intent to transfer is received by the sending system, the

1 sending system shall, according to its own rules and
2 regulations:

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

product of the calculation in division (2) of this subparagraph, and

(2) determine the sum of the employee and employer contributions applicable to the years of service sought to be transferred plus interest consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation. For all nonvested 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

1 of the transfer. Incremental projected benefits shall
2 be the difference between the projected benefit said
3 member would receive without transferring the service
4 credit and the projected benefit after transfer of
5 service credit computed as of the earliest age at
6 which the member would be able to retire. Said
7 computation shall assume an unreduced benefit and be
8 computed using interest, salary projections and
9 mortality assumptions consistent with the actuarial
10 assumptions adopted by the Board of Trustees for
11 purposes of preparing the annual actuarial evaluation.

12 c. The sending system shall, within sixty (60) days from
13 the date notification of an intent to transfer is
14 received by the sending system, transfer to the
15 receiving system the amount determined in subparagraph
16 a of this paragraph. Except if the cost as calculated
17 under subparagraph a of this paragraph is greater than
18 the actuarial value of the incremental benefit in the
19 receiving system, as established in subparagraph b of
20 this paragraph, the sending system shall send the
21 receiving system an amount equal to the actuarial
22 value of the incremental projected benefit in the
23 receiving system.

1 d. In order to receive the credit provided for in
2 paragraph 1 of this subsection, if the cost of the
3 actuarial value of the incremental benefit to the
4 receiving system is greater than the cost as
5 calculated under subparagraph a of this paragraph for
6 the same years of service to the sending system as
7 established in subparagraphs a and b of this
8 paragraph, the employee shall elect to:

9 (1) pay any difference to receive full credit for the
10 years sought to be transferred, or
11 (2) receive prorated service credit for only the
12 amount received from the Oklahoma Public
13 Employees Retirement System pursuant to this
14 subsection.

15 Such an election shall be made in writing, filed with
16 the System prior to receiving the credit provided for
17 in paragraph 1 of this subsection, and shall be
18 irrevocable.

19 3. Within sixty (60) days of successfully completing all of the
20 requirements for transfer under this subsection, the sending system
21 shall pay the receiving system any amount due under this subsection.
22 Within sixty (60) days of successfully completing all of the
23 requirements for transfer under this subsection, the member shall
24 pay the receiving system any amount due under this subsection. In

1 the event that the member is unable to pay the transfer fee provided
2 for in this subsection by the due date, the Board of Trustees of the
3 receiving system shall permit the member to amortize the transfer
4 fee over a period not to exceed sixty (60) months. Said payments
5 shall be made by payroll deductions unless the Board of Trustees
6 permits an alternate payment source. The amortization shall include
7 interest in an amount not to exceed the actuarially assumed interest
8 rate adopted by the Board of Trustees for investment earnings each
9 year. Any member who ceases to make payment, terminates, retires or
10 dies before completing the payments provided for in this section
11 shall receive prorated service credit for only those payments made,
12 unless the unpaid balance is paid by said member, his or her estate
13 or successor in interest within six (6) months after said member's
14 death, termination of employment or retirement, provided no
15 retirement benefits shall be payable until the unpaid balance is
16 paid, unless said member or beneficiary affirmatively waives the
17 additional six-month period in which to pay the unpaid balance.

18 4. Years of service transferred pursuant to this subsection
19 shall be used both in determining the member's retirement benefit
20 and in determining the years of service for retirement and/or
21 vesting purposes. Years of service rendered as a member of the
22 Oklahoma Public Employees Retirement System prior to July 1, 1992,
23 if any, shall be deemed to be years of service rendered as a member
24 of the Teachers' Retirement System of Oklahoma prior to July 1,

1 1992, and shall qualify such person as a member of the Teachers'
2 Retirement System of Oklahoma before July 1, 1992.

3 5. Notwithstanding the requirements of subsection (5) of
4 Section 917 of Title 74 of the Oklahoma Statutes, members electing
5 to take advantage of the transfer authorized by this subsection who
6 have withdrawn their contributions from the sending system shall
7 remit to the sending system the amount of the accumulated
8 contributions the member has withdrawn plus simple interest of ten
9 percent (10%) per annum prior to making said election or the
10 election shall be deemed invalid and the transfer shall be canceled.
11 If such an election is deemed invalid and the transfer is canceled,
12 the accumulated contribution remitted to the sending system by the
13 member who originally withdrew their contributions shall be returned
14 to the member. The member's rights and obligations regarding any
15 service credit reestablished in the sending system due to a failure
16 to satisfy the requirements of this subsection shall be determined
17 by the sending system in accordance with Section 901 et seq. of
18 Title 74 of the Oklahoma Statutes.

19 6. If any member fails for any reason to satisfy the
20 requirements of this subsection, the election to transfer service
21 credit shall be void and of no effect, and any service credited as a
22 result of this transfer shall be canceled. If such service is
23 canceled, the years of canceled service credit which were
24 unsuccessfully transferred to the receiving system from the sending

1 system shall be reestablished in the sending system. The member's
2 rights and obligations regarding any service credit reestablished in
3 the sending system due to a failure to satisfy the requirements of
4 this subsection shall be determined by the sending system in
5 accordance with Section 901 et seq. of Title 74 of the Oklahoma
6 Statutes.

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

9 L. Any member whose regular annual compensation was not
10 determined as provided for by law may pay the member contribution
11 required pursuant to subsection B of this section on such amount not
12 included in the member's regular annual compensation and receive
13 credit for such amount in the calculation of the member's benefit.
14 The employees must pay the employer contributions required pursuant
15 to Section 17-108.1 of this title. Interest at the rate of ten
16 percent (10%) per annum shall be charged to both employee and
17 employer contributions. Provided that the employing district may
18 pay all or any portion of the contributions and interest the member
19 is required to pay. Any payment by the employing district for a
20 prior year obligation shall be considered a current obligation of
21 the employer.

22 M. Any active member who elected during the 1978-79 school year
23 to pay the difference between five percent (5%) on actual salary not
24 exceeding Ten Thousand Dollars (\$10,000.00) and six percent (6%) on

1 actual salary not exceeding Fifteen Thousand Dollars (\$15,000.00)
2 shall receive credit for one (1) year of credited service upon
3 receipt and approval of a proper request by the Board of Trustees.

4 N. Effective July 1, 1988, any member who is employed by the
5 Governor, the State Senate, the House of Representatives or the
6 Legislative Service Bureau shall be allowed to elect to retain
7 membership in the Retirement System upon payment of the accrued and
8 current member contributions and employer contributions as provided
9 in subsection B of this section and Section 17-108.1 of this title.
10 Such contributions may be paid on behalf of the member by the
11 employing entity. Upon payment of such contributions, service
12 credits shall continue to be accumulated during such employment.
13 Accrued contributions shall be paid to the Retirement System by
14 August 1, 1989. Current contributions shall be paid to the
15 Retirement System by the tenth of the following month beginning with
16 the month of July 1989.

17 O. Notwithstanding any requirements of this title to restrict
18 the payment of service purchases, the Board of Trustees shall
19 promulgate such rules as necessary to allow active members of the
20 System to make installment payments for the redeposit of withdrawn
21 accounts or other payments due under the provisions of this title.
22 The rules shall permit the member to amortize the balance due over a
23 period not to exceed sixty (60) months, and shall include interest
24 consistent with the actuarial assumptions adopted by the Board of

1 Trustees for purposes of preparing the annual actuarial evaluation.
2 Further, the rules shall provide that all payments must be completed
3 prior to the effective retirement date of the member.

4 P. 1. A member of the Oklahoma Public Employees Retirement
5 System who becomes a member of the Teachers' Retirement System of
6 Oklahoma because the member has become employed by an entity or
7 institution within The Oklahoma State System of Higher Education,
8 State Board of Education, State Board of Career and Technology
9 Education, Oklahoma Department of Career and Technology Education,
10 Oklahoma School of Science and Mathematics, Oklahoma Center for the
11 Advancement of Science and Technology, State Department of
12 Rehabilitation Services, Oklahoma State Regents for Higher
13 Education, Department of Corrections, State Department of Education,
14 Oklahoma Board of Private Vocational Schools, Board of Regents of
15 Oklahoma Colleges, Oklahoma Student Loan Authority, or the Teachers'
16 Retirement System of Oklahoma, may elect to receive credit in the
17 Teachers' Retirement System of Oklahoma for those years of service
18 accumulated by the member in the Oklahoma Public Employees
19 Retirement System pursuant to this subsection. A member shall be
20 eligible to elect to receive credit for such years of service if:
21 a. the member is an active member of the Teachers'
22 Retirement System of Oklahoma,
23 b. the member provides notice to the Teachers' Retirement
24 System of Oklahoma and the Oklahoma Public Employees

Retirement System of the member's election to transfer such retirement credit. The notice shall include a list of the years to be transferred, and

- c. the member is not receiving or eligible to receive retirement credit or benefits from such service in any other public retirement system, notwithstanding the years of service sought to be transferred under this subsection.

Members electing to take advantage of the transfer authorized by this subsection shall have all service credit with the Oklahoma Public Employees Retirement System canceled which is transferred to the Teachers' Retirement System of Oklahoma.

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

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

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

8 Q. A former member of the Teachers' Retirement System of
9 Oklahoma who withdrew his or her contributions from the System prior
10 to January 1, 1983, and who had at least ten (10) years of service
11 in the System and purchased that service in the Oklahoma Public
12 Employees Retirement System, may elect to revoke that purchase from
13 the Oklahoma Public Employees Retirement System and to repay the
14 withdrawn contributions to the System in order to be eligible, once
15 such member reaches the normal retirement age, to receive a
16 retirement benefit that is based upon years of service and
17 compensation at the time such member terminated employment. In
18 addition, such former member may elect to transfer service credit
19 accrued in the Oklahoma Public Employees Retirement System to the
20 Teachers' Retirement System of Oklahoma pursuant to subsection K of
21 this section. The election, pursuant to this subsection, shall be
22 made prior to September 1, 2000. The election and the repayment
23 shall be made according to rules promulgated by the Board.

1 R. A member who retires and subsequently reenters service shall
2 be allowed to purchase service credits based on the verified
3 compensation of the year preceding the retirement of such member.

4 SECTION 3. Section 1 of this act shall become effective June 1,
5 2026.

6 SECTION 4. Section 2 of this act shall become effective July 1,
7 2026.

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

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