

**Teachers' Retirement System of Oklahoma**  
**301 Northwest 63<sup>rd</sup> Street, Suite 500**  
**Oklahoma City, OK 73116**  
**405.521.2387**

**RULE IMPACT STATEMENT**

**A. BRIEF DESCRIPTION OF PURPOSE OF PROPOSED PERMANENT RULES:**

These rules are proposed to comply with the statutory responsibility of the Board of Trustees in establishing rules and regulations for the administration of the System and the transaction of its business (70 O.S. § 17-101 et seq.). These rules are necessary to the orderly administration of the System for the benefit of the System's members and to defray costs of administering the System.

**TITLE 715. TEACHERS' RETIREMENT SYSTEM**

**CHAPTER 1. ADMINISTRATIVE OPERATIONS**

715:1-1-20 is being added to set out procedures which will allow the System to accept electronic signatures when appropriate as it modernizes administration of the System. These procedures comply with applicable federal and state law.

**B. CLASS OF PERSON(S) AFFECTED (CLASS BEARING COST OF RULES):**

The classes of person(s) affected by the proposed rules are employers and membership of the Teachers' Retirement System of Oklahoma.

**C. CLASS OF PERSON(S) BENEFITTED BY PROPOSED RULES:**

The class of person(s) benefitted by the proposed rules is the membership of the Teachers' Retirement System of Oklahoma.

**D. DESCRIPTION OF ECONOMIC IMPACT UPON AFFECTED CLASS OF PERSONS OR POLITICAL SUBDIVISIONS:**

The proposed rules will provide a more efficient administration of the System, resulting in a positive economic impact upon affected classes of persons or political subdivisions. The proposed rules will not have an adverse effect on small business.

**E. COST TO AGENCY, EFFECT ON STATE, INCLUDING A PROJECTED NET LOSS OR GAIN IN SUCH REVENUES:**

None.

**F. ECONOMIC IMPACT THAT IMPLEMENTATION OF THE RULES WILL HAVE ON POLITICAL SUBDIVISIONS AND WHETHER THE IMPLEMENTATION WILL REQUIRE THE SUBDIVISION'S COOPERATION IN IMPLEMENTING OR ENFORCING THE RULE:**

None. The proposed rules will not have an adverse effect on small business.

**G. LESS COSTLY OR INTRUSIVE METHODS:**

None.

**H. DATE IMPACT STATEMENT PREPARED:**

November 20, 2024.

## CHAPTER 1. ADMINISTRATIVE OPERATIONS

### **715:1-1-20. Electronic Signatures**

TRS may accept electronic signatures in accordance with the Uniform Electronic Transaction Act (12A O.S. §101 et. seq.) and the Electronic Signatures in Global and National Commerce Act (E-SIGN) when conducting business. This provision does not require TRS to conduct business electronically nor prohibit TRS from requiring original or wet ink signatures.

(1) “Electronic signature” means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(2) TRS will use available technology for adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records.

(3) Electronic signatures may be accepted where TRS provides for the means of electronic submission of an electronic signature and if the electronic signature and document to which it is affixed:

(A) identifies the individual signing the document by name,

(B) is attributable to the individual signing the document. An electronic record or signature is attributable to a person if it was the act of the person which may be shown in any manner, including the security procedure applied to determine the person to which the electronic signature was attributable,

(C) cannot be altered after the electronic signature has been affixed, and

(D) otherwise meets any technical requirements of TRS and provisions of the Uniform Electronic Transaction Act.

(4) The provisions of the Uniform Electronic Transaction Act apply to the time and place of sending and receipt. Should a power failure, internet interruption or internet virus occur, confirmation by the receiving party will be required to establish receipt.

(5) Any TRS form which requires a notarized signature, may be satisfied if the electronic signature of the person authorized to perform those acts pursuant to the Remote Online Notary Act (49 O.S. §201 et. seq.) or similar law of another state, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record.

(6) Any person who fraudulently represents facts in an electronic transaction, acts without authority, or exceeds their authority to perform an electronic transaction may be prosecuted under all applicable criminal and civil laws.

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These rules are proposed to comply with the statutory responsibility of the Board of Trustees in establishing rules and regulations for the administration of the System and the transaction of its business (70 O.S. §17-101 et seq.). These rules are necessary to clarify the administration of the System regarding amendments to Title 70 of the Oklahoma Statutes passed in the 2024 legislative session and to otherwise clarify and thus effect the orderly administration of the System for the benefit of the System's members and to defray costs of administering the System.

**TITLE 715. TEACHERS' RETIREMENT SYSTEM**

**CHAPTER 10. GENERAL OPERATIONS**

**SUBCHAPTER 1. MEMBERSHIP PROVISIONS**

715:10-1-5 is being amended to align with language in 715:10-1-4 regarding when non-classified optional personnel are eligible for participation in the System. It is also being amended to correct a statutory reference typographical error. Lastly, it is being amended to strike a vague statement about ineligible employment which is being more clearly incorporated into 715:10-13-2.

715:10-1-6 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule is to correct the statutory citation to the proper reference.

715:10-1-9 is being added to provide a definition for terms found in Title 70 of Oklahoma Statutes and Title 715 of the Oklahoma Administrative Code which are not otherwise defined.

**SUBCHAPTER 3. SERVICE ELIGIBILITY**

715:10-3-1 is being amended to conform to statutory definitions of membership and creditable service reflected in Title 70 of the Oklahoma Statutes, most recently confirmed by enactment in House Bill 2528 in the 2024 legislative session. TRS treats the service correctly but references to the service types in rules were incorrect.

715:10-3-2 is being amended to conform to statutory definitions of membership and creditable service reflected in Title 70 of the Oklahoma Statutes, most recently confirmed by enactment in House Bill 2528 in the 2024 legislative session. TRS treats the service correctly but references to the service types in rules were incorrect.

715:10-3-3 is being amended to conform to statutory definitions of membership and creditable service reflected in Title 70 of the Oklahoma Statutes, most recently confirmed by enactment in House Bill 2528 in the 2024 legislative session. TRS treats the service correctly but references to the service types in rules were incorrect.

715:10-3-4 is being amended to conform to statutory definitions of membership and creditable service reflected in Title 70 of the Oklahoma Statutes, most recently confirmed by enactment in House Bill 2528 in the 2024 legislative session. TRS treats the service correctly but references to the service types in rules were incorrect.

#### **SUBCHAPTER 5. ESTABLISHING OTHER SERVICE CREDITS**

715:10-5-7 is being amended to correctly reference the impact of a purchase of service from other state retirement systems on vesting, final average salary, and eligibility for retirement consistent with 70 O.S. §17-116.2(J). Particularly, a purchase of this type of service will neither serve to vest a member nor impact final average salary.

715:10-5-7.1 is being amended to align the rule with 70 O.S. §17-116.2(K) for transfers from OPERS and to clarify that service in any fiscal year which includes a transfer from OPERS is limited to one (1) year of credit pursuant to Okla. Const. Art. V, §62. This amendment is also clarifying procedures for administering the transports to be both consistent with 70 O.S. §17-116.2(K) and consistent with processes as agreed between the System and OPERS.

715:10-5-30 is being amended to conform to statutory definitions of membership and creditable service reflected in Title 70 of the Oklahoma Statutes, most recently confirmed by enactment in House Bill 2528 in the 2024 legislative session. It is also being amended to provide a good cause exception to the requirement to use 10 years of employment sick leave records for averaging when such records do not exist.

715:10-5-36 is being amended to clarify that payment for make-up contributions related to qualified military service under USERRA that a member wants included the calculation of service credit for retirement must be received before a member terminates employment with his or her pre-service employer or the member's effective retirement date, whichever comes first.

#### **SUBCHAPTER 7. MEMBERSHIP VESTING AND TERMINATION**

715:10-7-1 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session related to vesting and to compile into one rule reference to all service types that can vest a membership account.

715:10-7-2 is being amended to strike an outdated reference to the tax sheltered annuity program which is no longer in existence and to correct the reference to the Oklahoma Employees Insurance and Benefits Program.

715:10-7-3 is being amended for simplification and to be consistent with amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session related to vesting.

715:10-7-4 is being amended to be consistent with amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session related to vesting.

### **SUBCHAPTER 9. SURVIVOR BENEFITS**

715:10-9-3 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule is to correct the statutory citation to the proper reference. This rule is also being amended to clarify the accrual of survivor benefits under this rule will begin the month after the member passes away, instead of being limited to the month after election of the benefit. In cases where a survivor takes more than six months to elect this survivor benefit, accrual will be limited to the six (6) month period from eligibility for the benefit. This rule also clarifies that payment of this benefit will commence the 1<sup>st</sup> day of the month following both receipt and approval by the System of the required documentation. It also clarifies how TRS will make lump sum payments of owed amounts.

715:10-9-6 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. Particularly, consistent with statutory amendments, this rule will now allow probate waivers for all persons, instead of just members, entitled to a benefit from the System, provided they meet certain other statutory qualifications. Additionally, because many beneficiaries use the funds from a probate waiver process to pay last expenses, TRS eliminated the proof of payment of last expenses and now accepts a notarized statement that last expenses are either paid or provided for.

715:10-9-7 is being amended to clarify members who divorce have a responsibility to provide the System a copy of their file-stamped divorce decree so that the System can properly administer and pay survivor benefits.

### **SUBCHAPTER 13. CONTRIBUTIONS FOR MEMBERSHIP SERVICE**

715:10-13-2 is being amended to incorporate a clearer statement of the stricken language from 715:10-1-5, which clarifies that when a member works secondary employment which would be ineligible if the member was not otherwise participating in TRS with eligible employment, the member will be credited for the associated salary received in that ineligible employment but will not receive additional service credit.

715:10-13-8 is being amended to bring the rule into alignment with prior edits to 715:10-13-2 which requires anyone who joins the System after their qualifying employment began to make contributions back to the date their qualifying employment began.

715:10-13-10 is being amended to clarify the System's authority for the annual year-end report and to bring the rule text into alignment with statute and current practice.

715:10-13-11 is being amended to clarify that the limit the System applies to compensation increases applies only when the last three years of service are used to calculate the member's final average salary for retirement.

715:10-13-13 is being amended to clarify that contributions due when a member is receiving workers' compensation temporary total disability benefits must be made 90 days prior to retirement, which brings this rule into alignment with 715:10-15-3.

715:10-13-15 is being amended to reflect the System's practice of applying late fees.

### **SUBCHAPTER 15. SERVICE RETIREMENT**

715:10-15-1 is being revoked as largely duplicative of 715:10-15-2. Elements of 715:10-15-1 which were not duplicated in 715:10-15-2 were incorporated into that rule. Both rules are very brief, and simply refer the reader back to 70 O.S. §17-105 for age, eligibility and other requirements for service retirements. This action complies with Executive Order 2020-03 which tasked agencies with addressing duplicative rules.

715:10-15-2 is being amended to incorporate the non-duplicative language from 715:10-15-1, and the rule now refers the reader to 70 O.S. §17-105 for age, eligibility and other requirements for service retirements. This action complies with Executive Order 2020-03 which tasked agencies with addressing duplicative rules.

715:10-15-3 is being amended to clarify exceptions to the requirement of all payments being made at least 90 days before retirement. These exceptions are ordinary remission of contributions by employers; members retiring by disability who make payments for contributions due before retirement; and members who are paying make-up contributions for qualifying military service under USERRA. This rule is also being amended to clarify the earliest effective retirement date is contingent upon a bona fide separation of service from all TRS participating employers.

715:10-15-4 is being amended to define bona fide separation of service from all TRS participating employers, to clarify that a bona fide separation from service must occur for a member to have an effective retirement date, and to outline what will happen to an attempted retirement if a bona fide separation of service does not actually occur.

715:10-15-5 is being amended to incorporate the bona fide separation from service concept from 715:10-15-4 and to otherwise incorporate new references to the Maximum Plan of Retirement deriving from HB2528 passed in the 2024 legislative session. Amendments were also made to consistently reference the effective retirement date throughout.

715:10-15-10 is being amended to reflect the Board's decision to revoke the Option 4 retirement plan as a retirement option effective December 31, 2025. The rule also reflects amendments deriving from amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. Specifically, this rule will now correctly reference the Maximum Plan of Retirement consistent with statute. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule also corrects statutory citations to the proper reference.

715:10-15-10.2 is being amended to clarify current practice for payments of partial lump sums due certain retirees who are eligible and choose same. Specifically, these payments are issued by direct deposit as required by state statute and not with a paper check.

715:10-15-11.1 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule is to correct the statutory citation to the proper reference.

715:10-15-15 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. It is also being amended to strike duplicative terms. It is being amended to clarify processes and procedures that apply to TRS members, TRS employers, and the System in the disability retirement process, including bringing it into alignment with other rules the System is amending such as 715:10-15-4 (that bona fide separation of service is also required for disability retirements) and 715:10-15-18 (on how the System can revoke a disability retirement for a member who returns to active service in TRS).

715:10-15-16 is being amended to clearly set out the processes for review and granting of both permanent and temporary disability retirement by the Medical Board. Amendments are intended to explicitly describe how the Medical Board will communicate its decisions; when additional evidence can be provided to the Medical Board by members and when that additional evidence is due; the temporary disability retirement process including applicable timelines; that waiver of the pursuit of temporary or permanent disability retirement occurs if a timeline is breached; conditions under which a member can re-apply for disability if waiver occurred of the pursuit of either permanent or temporary disability for a disabling condition.

715:10-15-17 is being amended to clarify the Medical Board has authority to request any additional evidence, which can include an additional medical examination with a physician chosen by the Medical Board at the cost of the System.

715:10-15-18 is being amended to align the rule with 70 O.S. §17-105 regarding the reduction or termination of disability retirement benefits when members under normal retirement age return to work while receiving disability retirement benefits. The rule sets out the statutory formula for assessing whether the member's disability retirement benefit must be reduced based on earnings from a return to work. The rule also sets out the statutory requirement to terminate the disability retirement benefit if a member returns to active contributing employment in TRS. Amendments also delineate the process by which TRS determines if a member has, in fact, achieved a return to active contributing employment. This process is based on current practice of the System. The amendments also clarify a member's responsibilities when returning to work while receiving disability retirement benefits, including notification to the System and provision of certain information so the System can determine proper handling of the retirement benefit consistent with statute. The amendments clarify how the System will repay any owed benefits due to temporary suspension for members who return to work without providing notice and/or documentation to the System; the System may also offset amounts owed to it from owed benefits if the member's disability benefit should have been reduced or terminated when the member returned to work without notifying the System. Amendments to this rule also incorporate stricken text from 715:10-15-22 regarding the ability of the System to demand a medical re-examination of any disabled retiree who returns to work in a position similar to that working when granted disability benefits or if a member's return to work necessitates a reduction of disability retirement benefit under this

rule. The medical re-examination is for the purpose of determining whether the member remains qualified for disability retirement benefits.

715:10-15-20 is being amended to correct typographical errors.

715:10-15-21 is being revoked. The concepts in this rule were relocated to 715:10-15-18 and amended to conform to 70 O.S. §17-105.

715:10-15-22 is being amended to relocate language into 715:10-15-18 regarding the System's ability to seek a medical re-examination due to excess earnings. This language makes sense in 715:10-15-18 where the concept of return to work by disabled retirees is thoroughly discussed by the System. Otherwise, edits also clarify the System retains discretion to mandate retirees receiving disability benefits who are under their normal retirement age to provide annual proof of gainful employment, and if the member refuses, the System may either mandate a medical examination or temporarily suspend disability retirement benefits until the report is provided.

715:10-15-29 is being added to allow TRS to ensure it is paying retirement benefits only when members and joint annuitants remain living. This new rule allows TRS to secure proof of life in certain circumstances, including when members or joint annuitants meet or exceed age 89, when they are living outside of the United States, or in the case of a Form 1099-R being returned undeliverable. Otherwise, in other ad hoc situations, TRS may request proof of life with a good faith basis, which includes suspected fraud or if one of TRS's death reporting services reports a member or joint annuitant as deceased. The rule explains how TRS will process Proof of Life Affidavits, including the suspension of retirement benefits when valid Proof of Life Affidavits are not timely returned and the reinstatement of benefits upon receipt of a valid Proof of Life.

#### **SUBCHAPTER 17. POST-RETIREMENT EMPLOYMENT**

715:10-17-2 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. Particularly, this rule reflects an amendment to 3 clarify the 60-day break between pre- and postretirement work begins on the last day physically on the job or effective retirement date, whichever is later.

715:10-17-5 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule is to correct the statutory citation to the proper reference.

715:10-17-6 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule is to correct the statutory citation to the proper reference.

715:10-17-7 is being amended to bring this rule into alignment with proposed amendments to 715:10-15-18, 715:10-15-21, and 715:10-15-22 herein. It will clarify that postretirement contributions pursuant to 70 O.S. §17-116.10 remain due from employers when members receiving disability retirement benefits under normal retirement age return to employment if that

return to employment does not result in a return to active service. It also clarifies that once a member receiving disability retirement benefits reaches his or her normal retirement age, a return to work will be governed by postretirement rules applicable to all other retired members.

715:10-17-13 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule is to correct the statutory citation to the proper reference.

715:10-17-15 is being revoked as the statutory provision which authorized an exemption from earnings limits for active classroom teachers only authorized the exception through June 30, 2024. That period has now expired.

### **SUBCHAPTER 23. STATE AND EDUCATION EMPLOYEES GROUP HEALTH AND DENTAL INSURANCE PROGRAM**

715:10-23-1 is being amended to correctly refer to the state employee insurance program.

715:10-23-2 is being amended to correctly refer to the state employee insurance program and to correct the reference to be consistent with statute to the service which results in the subsidy being paid – 10 years of creditable service.

715:10-23-3 is being amended (title only) to correctly refer to the state employee insurance program.

715:10-23-5 is being amended to correctly refer to the state employee insurance program.

715:10-23-6 is being amended to reflect amendments to Title 70 of the Oklahoma Statutes enacted by House Bill 2528 in the 2024 legislative session. House Bill 2528 was re-organized with current statutory referencing system which changed the citations of current provisions. The amendment to this rule is to correct the statutory citation to the proper reference and to correctly reference the state employee insurance program. Amendments were also made to simply references to the System as TRS rather than Oklahoma Teachers' Retirement System and add a missing word.

#### **B. CLASS OF PERSON(S) AFFECTED (CLASS BEARING COST OF RULES):**

The classes of person(s) affected by the proposed rules are employers and membership of the Teachers' Retirement System of Oklahoma.

#### **C. CLASS OF PERSON(S) BENEFITTED BY PROPOSED RULES:**

The class of person(s) benefitted by the proposed rules is the membership and employers of the Teachers' Retirement System of Oklahoma.

#### **D. DESCRIPTION OF ECONOMIC IMPACT UPON AFFECTED CLASS OF PERSONS OR POLITICAL SUBDIVISIONS:**

The proposed rules will provide a more efficient administration of the System, resulting in a positive economic impact upon affected classes of persons or political subdivisions. The proposed rules will not have an adverse effect on small business.

**E. COST TO AGENCY, EFFECT ON STATE, INCLUDING A PROJECTED NET LOSS OR GAIN IN SUCH REVENUES:**

None.

**F. ECONOMIC IMPACT THAT IMPLEMENTATION OF THE RULES WILL HAVE ON POLITICAL SUBDIVISIONS AND WHETHER THE IMPLEMENTATION WILL REQUIRE THE SUBDIVISION'S COOPERATION IN IMPLEMENTING OR ENFORCING THE RULE:**

None. The proposed rules will not have an adverse effect on small business.

**G. LESS COSTLY OR INTRUSIVE METHODS:**

None.

**H. DATE IMPACT STATEMENT PREPARED:**

November 20, 2024.

## CHAPTER 10. GENERAL OPERATIONS

### SUBCHAPTER 1. MEMBERSHIP PROVISIONS

#### 715:10-1-5. Ineligible for TRS membership

The following employees are ineligible to be members of the Teachers' Retirement System when employed solely as any of the following. ~~(Note: Ineligible employment cannot be combined with eligible employment).~~

- (1) ~~A~~ non-classified employee regularly working less than 20 hours per week.
- (2) A substitute, irregular, seasonal, graduate assistant, fellowship recipient, adjunct supplemental or temporary employee. This provision does not apply to adjunct teachers as described in 70 O.S. § 6-122.3 who shall be considered non-classified employees and who may qualify for membership pursuant to OAC 715:10-1-4. (Note: Certain substitute and adjunct employment may qualify for service credit. See OAC 715:10-5-2 and OAC 715:10-5-34).
- (3) Persons employed as a consultant or persons contracting with a public school to transport students, to provide food service, or to provide any other services, who are not "regular" employees of the school. (NOTE: School bus drivers or food service personnel who are regular employees of the school are eligible for membership, subject to the requirements of OAC 715:10-1-2, 10-1-4, 10-1-5.)
- (4) An employee whose primary function at a school or institution is that of a student. If both the following conditions apply, a person employed in an Oklahoma public school, college or university shall be considered to be a student employee.
  - (A) The employment is conditional upon the employee's being enrolled as a student at the same institution; and
  - (B) The employee has no other employment during the same payroll period which is eligible for membership in TRS.
- (5) Any persons whose employment compensation comes from federal or other funds and is not administered by an Oklahoma public education employer. (Note: If the employee is not paid by the school on a state warrant, the employee is not considered to be an employee of the school or the State of Oklahoma. Regular employees whose salaries are paid in part or in whole by federal or other funds are eligible for membership if they were hired by the school and paid by the school.)
- (6) Any person employed by the public schools of Oklahoma after July 1, 1991, who is covered by another federal, state, county or local public retirement plan which will provide benefits on the employment service covered by the Teachers' Retirement System.
- (7) Employees of employers that are not governmental employers within the definition of Internal Revenue Code Section 414 and 70 O.S. ~~17-116.2~~ §17-116.2(J).
- (8) Any person employed by the University of Oklahoma or Oklahoma State University or the entities of either comprehensive university who elects to participate in an alternative retirement plan provided by the comprehensive university as provided by the Alternate Retirement Plan for Comprehensive Universities Act.

#### 715:10-1-6. Date of Membership

Date of membership is the date the initial contribution is made to TRS under the current membership account. Any former member of TRS who has previously withdrawn contributions and who redeposits said withdrawn contributions as permitted by law shall have his or her initial date of membership reinstated. Any person who transfers service from the Oklahoma Public Employees Retirement System in accordance with 70 O.S. ~~Section~~ §17-116.2(E), shall be eligible to use his or her initial entry date into the Oklahoma Public Employees Retirement System as his or her date of membership in TRS for all purposes except the member shall not be considered an "eligible participant" under OAC 715:10-15-27 unless the member first joined TRS prior to July 1, 1996. If a current member purchases non-contributory service for those years of qualified employment prior to the current date of membership, the official date of membership will remain the date the member's current membership account was opened. If a member purchases adjunct service that was performed prior to current date of membership, such purchased service shall be considered contributing service for purposes of vesting and membership date.

#### 715:10-1-9. Definitions

The following words and terms, when used in this Chapter, shall have the following meaning, unless the context clearly indicates otherwise. To the extent definitions are not otherwise set out in these rules, this section will provide them.

"Active contributing member; active contributory employment; active member" mean that a TRS member has active contributory employment or is an active or active contributing member when that member:

- (A) is otherwise participating in TRS as classified or nonclassified personnel;
- (B) is providing Oklahoma public education service within the applicable date range of an employment contract or employment term at a participating TRS employer during such time member and employer contributions are being remitted to TRS related to the member's employment;
- (C) the employer has not reported a termination date to TRS for the member; and

(D) provided, this definition will not include any TRS retiree who has returned to postretirement employment at a TRS employer.

### SUBCHAPTER 3. SERVICE ELIGIBILITY

#### 715:10-3-1. Requirements for creditable membership service

(a) All members of TRS must be employed a specified amount of time as related to their educational employment position, and earn a minimum salary, before creditable membership service will be awarded. A school employment year typically falls between July 1 and June 30 of any year. No membership service performed as an unpaid volunteer shall be counted as service credit.

For membership service performed on or after July 1, 2013, creditable membership service will be awarded based upon the information provided by each employer certifying full-time equivalent for each position, subject to approval by TRS. No member shall receive one (1) year of membership service credit for less than 960 hours of employment. (This does not mean that a member working 960 hours is automatically entitled to receive one (1) year of creditable membership service.) No more than one (1) year of creditable membership service shall be awarded for all service in any one (1) school year. For membership service performed on or after July 1, 2013, fractional membership service will be awarded for less than full-time employment performed during the contract year.

(b) For membership service performed from July 1, 2016, through June 30, 2019, membership service credit will be the result of the days the employee worked during the employment year divided by the number of days the full-time equivalent for that position would be required to work during the entire employment year. A member employed in a position where the full-time equivalent is required to work at least 6 hours per day, 30 hours per week, and 8 months per year shall be considered a full-time employee.

(c) For membership service performed from July 1, 2016, through June 30, 2019, the fractional membership service credit awarded for part-time employment will be based on the number of hours the employee works per week divided by the number of hours the full-time equivalent for that position would be required to work per week. A member employed less than 6 hours per day, 30 hours per week, or 8 months in a year shall be considered a part-time employee. If the employee works less fewer days per week or employment year than the full-time equivalent, fractional membership service credit will also be awarded based on the number of days the employee works in the employment year divided by the number of days the full-time equivalent works during the employment year.

(d) For membership service performed on or after July 1, 2019, the formula used to calculate membership service credit will be applied in the same manner for both full-time and part-time employment. The minimum requirement for full-time employment is 6 hours per day, 30 hours per week, and 8 months per year. Membership Services service credit will be reduced if the employee works less than the minimum requirement for full-time employment or less than the full-time equivalent for the position worked. Membership Services service credit will be calculated by multiplying the full-time equivalent percentage by the employment year percentage as follows:

(1) Full-time equivalent percentage is calculated by dividing the number of hours per week the member was employed by the number of hours per week for the full-time equivalent position.

(2) Employment year percentage is calculated by dividing the number of days the member was employed by the number of days required for the full-time equivalent position for the full employment year.

(e) For membership service performed on or after July 1, 2016, membership service credit of less than 1.0 shall be rounded to the nearest tenths (~~4 hundredths~~ 0.04 and lower will round down, and ~~5 hundredths~~ 0.05 and higher will round up).

#### 715:10-3-2. Requirements for fulltime service

(a) For membership service performed prior to July 1, 2013, a member employed at least six (6) hours per day (30 hours per week) shall be considered a full-time employee.

(1) A full-time employee may receive one (1) year of creditable membership service credit after completing six (6) months or more of employment in a school year.

(2) No member shall receive one (1) year of membership service credit for less than 720 hours of employment. (This does not mean that a member working 720 hours is automatically entitled to one (1) year of creditable membership service credit.)

(b) For membership service performed on or after July 1, 2013, creditable membership service credit will be awarded as outlined in 715:10-3-1.

#### 715:10-3-3. Requirements for half-time service

(a) For membership service performed prior to July 1, 2013, a member employed at least four (4) but less than six (6) hours per day (at least 20 but less than 30 hours per week) shall be considered a half-time employee.

(1) A half-time employee may receive one-half (1/2) year of creditable membership service credit after completing six (6) months or more of employment in a school year.

(2) No member shall receive one-half (1/2) year of membership service credit for less than 480 hours of employment. (This does not mean that a member working 480 hours is automatically entitled to one-half (1/2) year of creditable membership service credit.)

(3) A member who is employed one-half (1/2) the standard workload of other persons employed in similar positions shall not receive more than one-half (1/2) year of membership service credit even if total hours worked exceed 720 hours.

(4) Members who joined TRS prior to July 1, 1991, may receive one-half (1/2) membership service credit for a minimum of three (3) hours per day (540 hours per school year) as long as they remain employed in the same or similar position for the same

employing school. Any break in employment shall end this special provision and the member will be required to qualify for full-time or half-time membership service credit as provided for in Subchapters 1 and 3 of this chapter.

(b) For membership service performed on or after July 1, 2013, ~~creditable~~membership service credit will be awarded as outlined in 715:10-3-1.

#### **715:10-3-4. Combining fractional years of service**

(a) For membership service performed prior to July 1, 2013, fractions of school terms performed as an active contributing member of TRS of at least one (1) school month, in different school years, may be combined to make a total of six (6) months for one (1) year of ~~creditable~~membership service credit. It is not permissible to divide membership service rendered in one (1) year into fractional parts and combine these fractions with membership service rendered in two (2) or more years in order to gain additional years of membership service credit. All fractional membership service must be combined ~~together~~ before days of unused sick leave are applied to fractional membership service to obtain service credit. No more than one (1) year of membership service credit will be given for all employment in any one (1) school year. However, if the member has one hundred twenty (120) or more days of unused sick leave and has ninety (90) or more days of combined work experience at the end of the school year when the member retires, TRS will grant one (1) year of ~~creditable~~ service ~~credit~~ for the 120 days of unused sick leave and round the 90 days of work experience to count as one (1) year of ~~creditable~~ service.

(b) For membership service performed on or after July 1, 2013, fractional membership service credit will be added together and the resulting sum ~~value~~ shall be included in the retirement formula calculations.

## **SUBCHAPTER 5. ESTABLISHING OTHER SERVICE CREDITS**

#### **715:10-5-7. Credit for service in other Oklahoma public retirement systems**

A member of ~~the Teachers' Retirement System of Oklahoma~~ TRS may receive credit for employment covered by the following Oklahoma public retirement systems: the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, Oklahoma Department of Wildlife, and the Oklahoma Public Employees Retirement System (OPERS). Such service must meet the minimum ~~Teachers' Retirement System~~ TRS membership requirements. (See Subchapter 3)

(1) After one full year (twelve calendar months) of TRS contributory service, a member is eligible to purchase service credited in another State retirement system. A certification of service form must be completed by the member's former State retirement system. The certification must show: the date of withdrawal, the salary by fiscal school year, and the total amount of credited service. It shall be the responsibility of the member to notify TRS of intent to claim such service and obtain proper documentation from the member's former State retirement system.

(2) Employment which did not qualify for membership in the former State retirement system shall not qualify for credit in TRS.

(3) Employment performed prior to the establishment of the State retirement system for the employment class shall not cause membership in TRS to be denied, however, the type of service rendered must be accepted by the appropriate State retirement system if the member were now enrolled in that retirement system.

(4) The purchase price for each year of such service shall be based on the actuarial cost of the incremental projected benefits being purchased (see OAC 715:10-5-4).

(5) Under no circumstances can the purchased creditable service exceed the total service verified or the amount of credit given by the former retirement system.

(6) Once purchased, the other State service counts towards ~~vesting, eligibility for retirement, and final average salary~~. Notwithstanding, the Internal Revenue Code Section 401(a)(17) limits shall apply and the member shall not be considered an "eligible participant" under OAC 715:10-15-27 unless the member first joined TRS prior to July 1, 1996. However, the last year in the member's account immediately preceding retirement must be with a public education employer that participates in TRS.

(7) The member shall not be receiving, or be eligible to receive, retirement credit or benefits from said service in any other public retirement system.

#### **715:10-5-7.1. Transfer of service credit from the Oklahoma Public Employees Retirement System**

(a) An active member of ~~the Teachers' Retirement System~~ TRS may receive credit for those years of service accumulated by the member while a member of the Oklahoma Public Employees Retirement System (OPERS), provided ~~he or she~~ 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 section. The member must be an active contributing member of ~~the Teachers' Retirement System~~ TRS at the time application is made.

(b) A member of ~~the Oklahoma Public Employees Retirement System~~ OPERS who becomes a member of ~~the Teachers' Retirement System of Oklahoma~~ TRS because of employment by an entity or institution within the Oklahoma State System of Higher Education, State Board of Education, Oklahoma Department of Career and Technology Education, Oklahoma School of Science and

Mathematics, Oklahoma Center for the Advancement of Science and Technology, State Department of Rehabilitation Services, Oklahoma State Regents for Higher Education, Department of Corrections, State Department of Education, Oklahoma Board of Private Vocational Schools, Board of Regents of Oklahoma Colleges, Oklahoma Student Loan Authority, or the Teachers' Retirement System of Oklahoma may transfer to the Teachers' Retirement System TRS credit for years of service accumulated in the Oklahoma Public Employees Retirement System OPERS.

(c) The member must file a notice with the Oklahoma Public Employees Retirement System OPERS and the Teachers' Retirement System of his or her the member's election to transfer service credit. The notice must include a list of the years to be transferred and the member's social security number or other identifying information that may be as required by either retirement system to locate and evaluate the member's service credit OPERS. Notwithstanding the provisions of OAC 715:10-3-4, Qualifying qualifying service accumulated as a member of the Oklahoma Public Employees Retirement System OPERS shall be accepted as service credit in the Teachers' Retirement System TRS, subject to any statutory limitations; Provided no member, including those who transport qualifying service from OPERS, may be awarded more than one (1) year of service credit in any school year except for any service credited to the Oklahoma Public Employees Retirement System which is derived from less than one year of employment in any school year for which the member also receives a year of service credit from the Teachers' Retirement System, unless said service credits are earned as a result of simultaneous employment with separate participating employers of the systems.

(d) Except for members transferring credit as provided in subsection (b) of this section, the Teachers' Retirement System TRS, within thirty (30) days of receipt of notification from OPERS of an intent to transfer service to the member's account, shall determine the present value of the member's incremental projected benefit discounted according to the member's age at the time of the transfer. This determination shall be computed at the earliest age at which the member would be able to retire and calculated in accordance with OAC 715:10-5-4 and 70 O.S. Section §17-116.8. Said computation shall assume an unreduced benefit and be computed using interest, salary projections and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation.

(e) Upon completion of said determination the computation provided for in subsection (d) of this section, the Teachers' Retirement System TRS shall notify the member and the Oklahoma Public Employees Retirement System OPERS of the cost to transfer service. No retirements funds shall be transferred to TRS from OPERS until TRS has notified OPERS that all necessary documentation from the member has been received by TRS and OPERS has received its signed final election form.

(f) If the cost to the Teachers' Retirement System TRS of the actuarial value of the incremental benefit is greater than the cost as calculated for the same years of service in the Oklahoma Public Employees Retirement System OPERS, the employee member, except as provided in subsection (b) of this section, shall elect to pay any difference to receive full credit for the years sought to be transferred, or receive prorated service credit for only the amount received from the Oklahoma Public Employees Retirement System OPERS. Such an election shall be made in writing, filed with the System be received by TRS prior to receiving the credit provided for in this section, and shall be irrevocable.

(g) For members not required to make an election provided in subsection (f), including those as provided in subsection (b), the member must notify TRS to complete the transfer of service credit provided for in this section. Such notification must be made in writing and received by TRS prior to receiving the credit provided for in this section.

(h) Upon receipt of the written election provided in subsection (f) or the notification required in subsection (g) in this section, TRS shall notify OPERS that the necessary documentation has been received.

(i) Within sixty (60) days of the member's successful completion of the requirements in this section, OPERS shall transfer the retirement funds for transported service to TRS.

(ej) Upon receipt of all monies transferred by the Oklahoma Public Employees Retirement System OPERS, the Teachers' Retirement System TRS shall credit the member's account for the deposit and notify the member of any additional payment due to complete the transfer. Except as provided in subsection (b) of this section, the member is required to pay any difference between the amount determined in subsection (d) of this section and the amount received from the Oklahoma Public Employees Retirement System OPERS within sixty (60) days of notification by Teachers' Retirement TRS unless the unless the member elects monthly installments and pays the balance due in accordance with OAC 715:10-5-4.

(fk) Except as provided by subsection (b) of this section, any member who ceases to make payment, terminates employment, retires or dies before completing the payments provided for in this rule section shall receive prorated service credit for only those payments made, unless the unpaid balance is paid by said the member, his or her the member's estate or successor in interest beneficiary within six (6) months after said the member's death, termination of employment or retirement, provided no retirement benefits shall be payable until the unpaid balance is paid, unless said the member or beneficiary affirmatively waives the additional six-month period in which to pay the unpaid balance.

(gl) Notwithstanding the provisions of subsection (fk) of this section, if any member fails for any reason to satisfy the requirements of this rule, the election to transfer service credit shall be void and of no effect, and any service credited as a result of this transfer shall be canceled. Teachers' Retirement TRS shall return to the Oklahoma Public Employees Retirement System OPERS any monies transferred for the canceled service.

(hm) Years of service transferred pursuant to this rule section shall be used in determining the member's retirement benefit. Participating service, as defined by the Oklahoma Public Employees Retirement System OPERS, shall be credited to the member's account for purposes of vesting his or her account under in accordance with OAC 715:10-7-1. A member who joined the Teachers' Retirement System TRS on or after July 1, 1992, and transfers service credit for employment performed as a member of the Oklahoma Public Employees Retirement System OPERS on or before July 1, 1992, shall receive credit for such service as if the service were performed as a member of the Teachers' Retirement System TRS, and the member's eligibility for retirement shall be

determined as if the member had been a member of the Teachers' Retirement System TRS from the date of such service. Notwithstanding, the Internal Revenue Code Section 401(a)(17) limits shall apply and the member shall not be considered an "eligible participant" under OAC 715:10-15-27 unless the member first joined TRS prior to July 1, 1996.

#### **715:10-5-30. ~~Ten-year averaging~~ Averaging of sick leave**

When a member cannot obtain documentation of accumulated sick leave because records at the employing school(s) are not available, TRS will calculate an average using the last ten (10) years of available eligible Oklahoma public education employment records, provided for good cause shown TRS may use less than ten (10) years. The number of sick leave days absent used each year during the last ten (10) years of available eligible Oklahoma public education employment shall be averaged ~~to determine the average number of sick leave days used each year.~~ The average sick leave days used will be subtracted from a standard ten (10) days of sick leave per school year and the difference multiplied by the total years of ~~creditable~~ Oklahoma membership service.

#### **715:10-5-36. Compliance with USERRA and Code Section 414(u), including applicable HEART Act provisions**

(a) Effective with respect to deaths occurring on or after January 1, 2007, while a member is performing USERRA-qualified military service (as defined in Internal Revenue Code Section 414(u)), to the extent required by Internal Revenue Code Section 401(a)(37), survivors of a member are entitled to any additional benefits that TRS would provide if the member had resumed employment and then died, such as survivor benefits that are contingent on the death of an in-service member (as defined in OAC 715:10-9-2). For benefit accrual purposes, a member who dies while performing qualified military service will be treated as if the member had resumed pre-service employment in accordance with USERRA on the day preceding the date of death and then terminated employment on the actual date of death.

(b) Beginning January 1, 2009, to the extent required by Internal Revenue Code Sections 3401(h) and 414(u)(12), an individual receiving differential wage payments from an employer while the individual is performing qualified military service (as defined in Internal Revenue Code Section 414(u)) shall be treated as employed by that employer, and the differential wage payment shall be treated as earned compensation .

(c) Upon the member's timely reemployment with the pre-service employer, the member shall be treated as not having a break in employment and may elect to make-up contributions attributable to the rate of pay the employee would have received but for the member's period of qualified military service, including any differential wage payments.

(d) The member's make-up contributions may only be made during a time period starting with the date of reemployment and continuing for a period of up to three times the length of the member's immediate past period of qualified military service, not to exceed five (5) years. Provided, however, in all cases, payment for all years of qualified military service for which a member wants to receive credit must be received prior to the earlier of termination of the member's employment with the pre-service employer or the member's effective retirement date.

(e) The pre-service employer will not make contributions until the member is reemployed and elects to make-up his or her contributions. The member may elect to pay the make-up employee contributions through a written salary reduction agreement with the pre-service employer for the applicable time period. In that case, the employer would remit its share of the make-up employer contributions each time it remits a make-up employee contribution for the member. If the member elects to make up his or her contributions in a lump sum instead of a written salary reduction agreement with the pre-service employer, the make-up employer contributions are due in a lump sum within 90 days of TRS determining the applicable contributions due by the employer.

(f) If the member chooses not to or fails to repay all of his or her make-up contributions, fractional service credit can be awarded pursuant to OAC 715: 10-3-1 and 715:10-3-4, and credit for any make-up employer contributions paid in excess of the make-up employee contributions will be given to the pre-service employer pursuant to OAC 715:10-11-4.

(g) Make-up contributions made by the member and pre-service employer pursuant to this section shall not be charged interest, so long as repayment is made within the time period set forth in subsection (d).

## **SUBCHAPTER 7. MEMBERSHIP VESTING AND TERMINATION**

#### **715:10-7-1. Vesting of membership in TRS**

(a) ~~Members~~ Individuals who became members of TRS after July 1, 1967 through October 31, 2017 and who have accumulated five (5) or more years of creditable membership service pursuant to OAC 715:10-3-1 et seq. in the public schools of Oklahoma; on which retirement contributions have been remitted; and whose account had not closed prior to July 1, 2003, in accordance with 70 O.S. § 17-103(6E) or OAC 715:10-7-3; shall be granted an indefinite extension of membership in TRS.

(b) Individuals who become members of TRS on or after November 1, 2017, and who have accumulated seven (7) or more years of membership service pursuant to OAC 715:10-3-1 et seq. in the public schools of Oklahoma on which retirement contributions have been remitted and whose account has not closed in accordance with 70 O.S. § 17-103(E) or OAC 715:10-7-3 shall be granted an indefinite extension of membership in TRS.

(c) ~~Such membership is vested and shall remain open until the member retires or the contributions are voluntarily withdrawn.~~

(d) ~~Military and out-of-state service shall not be included in the five (5)-years required for vesting.~~

(e) ~~Any year of service obtained by the use of accumulated unused sick leave cannot shall not be included in the five (5)-years required for vesting. Any member who joins TRS after July 1, 1991, shall be required to have five (5) full years of service credit~~

awarded pursuant to OAC 715:10-3-1 et seq. as a contributing member of the System. Any member who joins TRS after November 1, 2017, shall be required to have seven (7) full years of service credit awarded pursuant to OAC 715:10-3-1 et seq. as a contributing member of the System.

(f) For members who join after July 1, 1991, Oklahoma service purchased after membership ~~will~~ shall not be ~~counted~~ included in years required for "vesting" purposes.

(g) Adjunct service in Higher Education performed prior to the date of the current membership account which is purchased under OAC 715:10-5-34 shall be considered membership service for purposes of vesting.

(h) Credit for service transferred under OAC 715:10-5-7.1 shall be considered membership service for purposes of vesting.

(i) Credit for service in other Oklahoma public retirement systems which is purchases pursuant to OAC 715:10-5-7 shall not be included in years required for vesting.

#### **715:10-7-2. Limitation of benefits to an inactive, vested member**

A member who has a vested account, but who terminates employment and no longer remits contributions, has an "inactive-vested" account. An inactive-vested member is not entitled to the following:

(1) Statutory death benefit payable to the beneficiaries of an active member.

(2) ~~Participation in the Teachers' Retirement System tax-sheltered annuity program.~~

(3) Option to elect, by the member's spouse, retirement benefits in lieu of a lump sum payment of account balance at the member's death.

(4) ~~(3)~~ The purchase of any additional past service credits.

(5) ~~(4)~~ Insurance coverage from the ~~State and Education Oklahoma Employees Group Health Insurance~~ Insurance and Benefits Program, unless proper application is made for such coverage within thirty (30) days of termination of employment. (See Subchapter 23 of this chapter for more information about group health insurance.)

#### **715:10-7-3. Termination of non-vested membership accounts because of absence**

Membership in the Teachers' Retirement System shall terminate if the member ceases to be an active contributing member for a period of five (5) consecutive school years unless the member has five (5) or more years of creditable service in the public schools of Oklahoma and does not voluntarily withdraw his account.

(1) Membership rights shall be protected during an absence of not more than five (5) years, in any period of six (6) consecutive years, TRS for non-vested members; (i.e., for members who have less than five (5) years of contributory employment in the public schools of Oklahoma) shall terminate when the non-vested member ceases to be an active contributing member for any period of five (5) consecutive school years in a six (6) consecutive school year period.

(2) ~~(1)~~ If employment terminates with the close of the school term, the five (5) year period of absence shall begin with the next fiscal year. If employment ends during the school term, the period of absence shall begin the first day of the month that follows termination.

(3) ~~(2)~~ After a non-vested member is absent from employment in the public schools of Oklahoma for five (5) years during any period of six (6) consecutive years, the member's ~~Teachers' Retirement System~~ TRS account shall be closed with no rights to monthly retirement benefits. The member's contributions should be withdrawn as no interest accrues on accounts closed because of absence from employment.

(4) ~~(3)~~ A member whose absence exceeds five (5) years due to military service shall be granted an eighteen (18) month extension, from date of discharge, to re-enter Oklahoma public education employment in order to retain membership in ~~Teachers' Retirement System~~ TRS.

#### **715:10-7-4. Extension of TRS membership for non-vested members after absence**

A non-vested member with less than five (5) years of creditable Oklahoma membership service, who has been absent from ~~such active contributing~~ service for less than five (5) years during any period of six (6) consecutive years; may extend TRS membership by returning to fulltime employment for one (1) school year.

(1) If a five (5) year period of absence ends with the close of a school year, membership shall terminate June 30 of the corresponding fiscal year. Except that, membership shall not terminate if the member returns to fulltime Oklahoma public schools employment no later than September 30 the same calendar year.

(2) If the five (5) year period of absence terminates at any other time during the school year, membership shall terminate the last day of the last month of employment. Membership shall not terminate if the member returns to employment in the Oklahoma public schools no later than the last day of the succeeding calendar month.

(3) Unless otherwise specified, a ten (10) month school term shall be considered a school year. ~~In~~ When adding fractions to equal a year of employment, membership shall extend five (5) years from the close of the school year during which the member worked the first fractional part.

(4) A member whose account has closed, but has not withdrawn contributions, may apply for re-instatement after returning to employment in the public schools of Oklahoma and completing one (1) full year (twelve calendar months) as a contributing member of TRS. Upon completion of one (1) full year the member's account will be restored to full status with all rights provided to other members.

## SUBCHAPTER 9. SURVIVOR BENEFITS

### 715:10-9-3. Monthly annuity in lieu of death benefit

Pursuant to 70 O.S. §17-105(P), ~~The~~ the designated beneficiary of an in-service member who qualified for service retirement and had ten (10) years or more of creditable service may elect to receive, in lieu of the return of contributions and the \$18,000 death benefit, the retirement benefit to which the deceased member would have been entitled at the time of death under the Option 2 retirement plan. [See OAC 715:10-15-2].

(1) To qualify for this option, the designated beneficiary must have been named as the sole beneficiary at the time of the member's death (see OAC 715:10-15-1 and 10-15-2 and 70 O.S. §17-105(H)).

(2) This option is only available when the beneficiary is the member's spouse, another person, or the beneficiary of a Discretionary and Special Needs Trust, provided if the designated beneficiary is not the member's spouse, IRS Regulations require that the adjusted member/beneficiary age difference cannot be more than ten (10) years. [See OAC 715:10-15-10, to determine the adjusted member/beneficiary age difference]. [See also OAC 715:10-9-7, if the member and beneficiary were divorced before death].

(3) The designated beneficiary is eligible to elect a survivor benefit paid monthly in an amount equal to what the member would have been paid under the Option 2 retirement plan beginning the first day of the month following the date of death of the member. The effective date of the election will be the first day of the month following receipt and approval of the required documentation by TRS. The first monthly survivor benefit payment and any owed amounts will be made on the first day of the month following the effective date of the election. Owed amounts will be paid without interest. The designated beneficiary who makes this election will receive this monthly survivor benefit for the designated beneficiary's lifetime.

(4) Notwithstanding paragraph (3) above, regarding owed amounts, TRS shall only make retroactive monthly survivor benefit payments to the designated beneficiary for a period not to exceed six (6) months from the time the designated beneficiary first became eligible for monthly benefits to the effective date of the election.

### 715:10-9-6. Probate waivers

(a) In the event a member dies, leaving no living beneficiary or having designated ~~his~~ the member's estate as beneficiary, or upon the death of any individual who may be entitled to a benefit from the System, the System shall require the judicial appointment of an administrator or executor for the ~~member's decedent's~~ estate prior to payment of any benefits or unpaid contributions. However, this requirement may be waived by the System for any benefits or unpaid contributions in the amount of \$25,000.00 or less, upon receipt of the decedent's death certificate and presentation of:

(1) the ~~member's decedent's~~ valid Last Will and Testament;

(2) an Affidavit of Heirship naming all heirs to the ~~member's decedent's~~ estate which must state:

(A) that the value of the ~~deceased member's decedent's~~ entire estate is subject to probate, and that the entire estate wherever located, less liens and encumbrances, does not exceed the amount permitted by law, including the payment of benefits or unpaid contributions from the System;

(B) a description of the personal property claimed (including the death benefit or unpaid contributions or both), together with a statement that such personal property is subject to probate; ~~and~~

(C) a claim by each individual claiming heir identifying the amount of personal property that the heir is claiming from the System, and that the heir has been notified of, is aware of and consents to the identified claims of all the other claiming heirs of the ~~deceased member decedent~~ pending with the System; ~~and~~

(D) that all debts of the decedent, including payment of last sickness, hospital, medical, death, funeral, and burial expenses have been paid or provided for.

(3) a Hold Harmless Agreement signed by all heirs; ~~and~~

(4) a Corroborating Affidavit from someone other than an heir who is familiar with the ~~deceased member decedent~~; ~~and~~

(5) ~~proof of payment of expenses of last sickness, death and burial, including all medical, hospital and funeral expenses.~~

(b) The Executive Director of TRS shall retain complete discretion in determining which requests for probate waiver may be granted or denied, for any reason. If there is any question as to the validity of any document herein required, the judicial appointment requirement shall not be waived.

(c) After paying any death benefits or unpaid contributions to any claiming heirs as provided by this section, TRS is discharged and released from any and all liability, obligation and costs to the same extent as if the System had dealt with a personal representative of the ~~deceased member decedent~~. The System is not required to inquire into the truth of any matter specified in this section or into the payment of any estate tax liability.

### 715:10-9-7. Beneficiary designation following a divorce

Following a divorce between an active or retired member and his or her spouse whom the member had designated as a beneficiary, the former spouse shall be treated as having predeceased the member for purposes of the death benefit payment and/or a return of contributions from the deceased member's Teachers' Retirement System account, unless the member has renamed the former spouse as a designated beneficiary. It is the responsibility of the member to notify TRS of the divorce by providing TRS with

a file-stamped copy of the final decree. (Note: The beneficiary designation is voided by this section and 15 O.S. §178, only if the member's designation of beneficiary was signed and dated after November 1, 1987).

## SUBCHAPTER 13. CONTRIBUTIONS FOR MEMBERSHIP SERVICE

### 715:10-13-2. Contributions required on all regular annual compensation from all employers

- (a) Contributions shall be made on all regular annual compensation, as defined in OAC 715:10-13-1, received by a member from any participating employer, including federally-subsidized programs under the direct administration of a public school.
- (b) For employees who are participating in TRS at one employer while maintaining employment in an ineligible position at the same or another employer: the employer that employs the member in the ineligible position must remit contributions on the regular annual compensation of that employee. This is generally known as contributing on secondary employment. This includes pay to a teacher who also drives a school bus, members of TRS who are working part-time for another school and members employed on a regular basis who are employed by the same or different school in a summer school or night school program. For clarification, contributing on secondary employment in an ineligible position will result in an increase to the associated salary denoted in TRS for the applicable fiscal year but will not result in the member earning any associated service credit.
- (c) All public schools shall treat the employee contributions as being picked-up under the provisions of Section 414(h)(2) of the Internal Revenue Code.
- (d) Individuals who join ~~the Teachers' Retirement System~~ TRS during the school year and who have been employed prior to becoming a member must make retroactive contributions from the date their qualifying employment began. The membership date of such a member is the date the first payment is received, not the beginning of the school year. The member shall not receive full service credit until the balance of contributions, including any contributions required by the employer, are received by TRS.

### 715:10-13-8. Procedure for making contribution deductions

The ~~Teachers' Retirement System~~ TRS contribution deduction shall start with the payment for the first month of a "classified" employee's contract, or the first month of membership for an optional "non-classified" member. This contribution shall be based on the total compensation for the month but shall not apply to the compensation of a substitute teacher or any employee working on a less than one-half time basis. Individuals who join ~~the System~~ TRS during the school year, and who have been employed prior to becoming a member, must make retroactive contributions from the beginning of that school year ~~date their qualifying employment began~~. The membership date of such a member is the date of first payment not the beginning of the school year. The member shall not receive full service credit for a year of service until the balance of contributions, including any contributions required by the employer, are received by TRS. Interest compounded annually at ten percent (10%) per annum shall be levied against the balance due until paid.

- (1) The total deductions in any one school year shall not exceed the maximum limit prescribed by statutes as defined in OAC 715:10-13-3.
- (2) In determining the amount of the contribution for a member in any payroll period, the employer shall consider the total compensation earned from all sources. The contribution shall be calculated on the gross compensation before any deductions, such as tax-sheltered annuity, income taxes, Social Security, etc. Deductions shall be made at the statutory contribution rate on each month's compensation until the maximum annual compensation level is reached. Total monthly compensation shall be reported in the monthly salary column of the remittance report. Monthly compensation includes gross wages and fringe benefits paid or provided by the remitting agency.
- (3) Monthly contributions for employees of a comprehensive university, whose maximum compensation level is less than the member's regular annual compensation, may be remitted in twelve equal payments to the member's account during the school year. It shall be the responsibility of the employer to ensure any required adjustment in contributions is made if a member terminates employment or the member's salary changes during the school year.
- (4) Required contributions shall be remitted monthly.
- (5) As of July 1, 1979, members who signed a waiver to contribute on a maximum annual salary of \$7,800 are required by law to contribute on their total compensation not to exceed any current maximum contribution level.
- (6) The Department of Corrections shall contribute the employer's share to ~~the Teachers' Retirement System~~ TRS. The contribution shall be the same dollar amount required of the member.

### 715:10-13-10. Annual report of employment

Pursuant to 70 O.S. §17-108.1(E) for the purpose of establishing service credit and confirming the reporting of correct compensation and contributions, At the close of each fiscal year but prior to November 1, the payroll office of each employer shall file a report with ~~Teachers' Retirement System~~ TRS that certifies the number of hours worked that year by each less-than- fulltime the total regular annual compensation, position information, days and hours worked, sick leave balance, and contributions paid for each participating employee. The report shall also include the names and total number of hours worked by compensation for any employee receiving Teachers' Retirement System retirement benefits ~~person who is a retired member of TRS~~. This report shall be known as the Employment Year End Report, and shall be provided in a manner required by TRS.

**715:10-13-11. Percentage limits on compensation increases**

When any of a member's last three creditable years of service before retirement are used in determining the member's final average salary, the average of a member's aggregate compensation for the last three creditable years of service before retirement may not exceed the credited compensation of the immediately preceding creditable year for service in the same or similar positions by more than 20%. When appropriate, Teachers' Retirement System may convert salary for part-time employment to its full-time equivalent in determining the permissible increases in annual compensation.

- (1) Teachers' Retirement System will adjust a member's annual compensation at the time of retirement to comply with the limits of this rule and will refund excess deposits to the member after the effective date of retirement.
- (2) Increases due to a change in employment responsibilities or adjustments in salary schedules for the employees of school district shall be excluded by TRS in determining if an employee exceeds the 20% level. TRS retains the right to require individuals and the employing school to provide documentation to satisfy questions that may arise from increases in compensation in excess of 20% for any school year.

**715:10-13-13. Contributions while receiving workers' compensation payments**

Any member who is an active contributing member and receives temporary total disability benefits during the period of absence from a public school due to a work-related injury or illness and qualifies for payment pursuant to the Workers' Compensation Act shall receive credit for said period of absence, if contributions were not remitted on the member's regular annual compensation while the member is receiving temporary total or partial disability benefits, subject to the following requirements:

- (1) the member was employed by the public school immediately prior to and during the period of absence,
- (2) the member must notify the System in writing not later than four (4) months after the member's return to his or her job duties with the public school, or termination of the temporary total disability benefits, whichever is earlier, of the member's desire to receive service credit for the period of absence,
- (3) the public school employer must certify to the System in writing the dates during which temporary total disability benefit payments were paid to the member, and
- (4) the member and the public school employer shall each pay the respective contributions required for the period of absence without interest within sixty (60) days of billing by the System, or with interest at a rate consistent with the actuarial assumed earnings rate adopted by the Board of Trustees, compounded annually if paid after said sixty (60) days. Employee and employer contributions will be based on the member's regular annual compensation the member would have earned had the injury or illness not occurred.
- (5) All balances due must be paid in full at least thirty (30) days prior to termination of employment ~~or~~ and, in all cases, ninety (90) days prior to the ~~effective date of a member's official~~ effective retirement date.

**715:10-13-15. Waiver of employer late fees**

(a) TRS statutes provide that all employer and employee contributions must be remitted to TRS within 30 days after the end of the month in which the work was performed. If they Contributions which are remitted after the deadline they are are untimely and will be assessed a late fee at a rate dependent upon the remission date. Untimely contributions due in the current fiscal year which are received in the current fiscal year or untimely contributions due the fiscal year immediately preceding November 1 which are received prior to November 1 will be assessed a 1 ½% late charge fee, compounding monthly. Untimely contributions due for any prior fiscal year which are received on or after November 1 will be assessed a late fee of 10% per annum, compounding annually consistent with OAC 715:10-13-5. The Board of Trustees may waive the late fee for good cause shown but may delegate this authority to staff. The Executive Director is authorized to waive these late fees. Good cause is generally shown in cases of an unforeseen circumstance such as a death or illness, acts of nature, or other unforeseen and unavoidable circumstance rendering the timely payment of contributions impossible.

(b) ~~The System~~ TRS will automatically waive late fees assessed for any contributions received late due to the late receipt of federal funds or workers' compensation payments.

(c) ~~The System~~ TRS will automatically waive any late fees assessed in the amount of \$50 or less, provided the requesting employer has had one or less late remittances in the past 12 months.

(d) All other requests for waiver of late fees shall be presented to ~~the System~~ TRS for review and determination of good cause shown for waiver. All waiver requests must be made on district/employer letterhead and signed by the Superintendent, CEO, or CFO.

**SUBCHAPTER 15. SERVICE RETIREMENT****715:10-15-1. Eligibility for service retirement [REVOKED]**

~~Service retirement requirements shall be administered as outlined in Title 70, Oklahoma Statutes, Section 17-105 [70 O.S. 17-105].~~

**715:10-15-2. Age, service requirements for regular eligibility, and other requirements for service retirement**

~~Service retirement requirements shall be administered as outlined in Title 70, Oklahoma Statutes, Section 17-105 [70 O.S. §17-105].~~

**715:10-15-3. Date of retirement; making application**

The earliest effective date of retirement for any eligible member is the first day of the month following the one in which ~~employment ceases~~ a bona fide separation of service as defined in OAC 715:10-15-4 occurs, with the first annuity payment to be paid on the first day of the month following the effective date of retirement.

(1) It is the member's responsibility to notify, by filing a retirement contract as outlined in paragraphs 4 and 5 of this section, the TRS Board of Trustees of the date on which retirement is to begin.

(2) Payments for all years of service; for which a member wants to receive credit; must be received by TRS no less than 90 days prior to the date of retirement; provided however that the ordinary remission of contributions by employers shall not be considered as payments for years of service. This paragraph shall not apply to disability retirement under OAC 715:10-15-15 or make-up contributions made pursuant to OAC 715:10-5-36; however payment for all years of service under those sections for which a member wants to receive credit must comply with the requirements of those sections and, in all cases, be received prior to the member's effective retirement date.

(3) State law does not permit TRS to make retroactive retirement payments. Members should ensure that their creditable service record is up-to-date and accurate before they retire.

(4) Not less than ninety (90) days prior to retirement, TRS must receive from the member a Pre-Retirement Information Verification, copy of the member's proof of birth, copy of marriage certificate or license if married to joint annuitant, and verification of 120 days of accrued/unused sick leave for calculation of sick leave credit. The Pre-Retirement Information Verification and support pre-retirement documentation must be on file with TRS to enable TRS to prepare a complete Application to Retire.

(5) After submitting all required pre-retirement documentation, the member will receive an Application to Retire. TRS must receive this completed Application to Retire from the member no less than sixty (60) days prior to the effective date of retirement. Upon receipt of the completed Application to Retire the member will receive a final contract for retirement.

(6) The Final Contract for Retirement must be properly executed before a notary and, pursuant to 70 O.S. §17-101, must be filed with TRS no less than thirty (30) days before the effective date of retirement. Therefore, the Final Contract for Retirement must be completed and received by TRS by the first day of the month immediately preceding the retirement date. The first retirement benefit payment will be made on the first day of the month following the effective date of retirement.

(7) For example, a retirement contract must be on file by May 1, for a retirement date of June 1, in order to process the first retirement benefit payment on July 1.

**715:10-15-4. Effective date of retirement contract**

~~The effective date of retirement shall be the date specified on the Final Contract for Retirement completed and signed by the member.~~ The effective date of retirement can be the first of any month specified by the member, except provided the effective retirement date cannot be earlier than the member's bona fide separation from service, except as provided in paragraph (2) below, from all participating TRS employers. Bona fide separation from service shall be determined based on whether the facts and circumstances indicate that the employee reasonably anticipated that no further services would be performed for any TRS participating employer after the member's separation date. TRS shall apply the following:

(1) The last day on which service is rendered shall be accepted as the last day of employment, when so certified by the employer. This is not necessarily the last day for which the member receives pay.

(2) If employment terminates on or before the tenth (10th) day of the month, the effective retirement date can be that same month.

(3) If a member's employment terminates after the tenth (10th) day of the month, the effective retirement date can be the first day of the following month.

The effective date of retirement shall be specified on the final contract for retirement, provided if a bona fide separation from service does not occur, any effective date on a final contract which is in conflict with this section is invalid. Final contracts for retirement with invalid effective retirement dates shall not result in a binding retirement contract for the member. In that case, TRS will delay or cancel the member's retirement, as applicable. If the member goes on to complete a bona fide separation from service, the contract for retirement will be delayed to a date consistent with this section. If the member chooses not to complete a bona fide separation from service, the contract for retirement will be canceled.

**715:10-15-5. Date of retirement contract is binding; revocation of contract**

The final contract for retirement becomes binding on the effective date shown on the contract, provided such date is valid under OAC 715:10-15-4, and shall be known as the effective retirement date ~~of retirement~~. Any contract with an invalid effective retirement date in violation of OAC 715:10-15-4 may be delayed or canceled by TRS as set out in that section. The contract may be revoked by the member, or the retirement plan changed, before the effective retirement date ~~of retirement~~. Any change or revocation by the member must be in writing; ~~delivered to~~ and either received by TRS or postmarked by the United States Postal Service prior to the effective retirement date ~~of retirement~~. After the effective retirement date, the contract cannot be canceled by the member.

After the effective retirement date, the retirement plan cannot be changed except as outlined in paragraphs one (1) and two (2) below. If the member elected the Option 2 or Option 3 retirement ~~contract~~plan and the member's designated joint annuitant dies before the effective retirement date, the member may select another retirement plan without penalty. If a Maximum Plan of Retirement (hereafter referred to as the maximum plan) or Option 1 retiree should die during the month following the effective retirement date of retirement and before the first retirement benefit is due, any distribution to beneficiaries designated on the member's retirement contract shall be paid pursuant to OAC 715:10-9-1 and 715:10-9-2.

(1) After the effective retirement date, a member who elected a reduced benefit under Option 1, Option 2, Option 3 or Option 4 may make a one-time irrevocable election to change their retirement plan within sixty (60) days of the effective retirement date. The beneficiary or joint annuitant designated by the member at the time of retirement shall not be changed if the member makes the election provided for in this paragraph. Such election must be made in writing, ~~delivered to and received by~~ TRS or postmarked by the United States Postal Service prior to the sixtieth day after the effective retirement date of retirement.

(2) A member who elected the ~~Maximum benefit~~maximum plan and marries after the retirement date, may make a one-time election to change to an Option 2 or Option 3 ~~benefit~~retirement plan and name the member's spouse as the designated joint annuitant. The member shall provide proof of the member's good health before the Board of Trustees will permit a change to either the Option 2 or 3 retirement plan and the naming of a joint annuitant. A medical examination conducted by a licensed physician is required for purposes of determining good health. Such examination must be approved by the Medical Board. The member shall be required to provide proof of age for the new joint annuitant. The Board of Trustees shall adjust the monthly benefit to the actuarially equivalent amount based on the newly designated joint annuitant's age. Such election must be made in writing using the forms ~~proscribed~~prescribed by TRS and ~~delivered to~~received by TRS or postmarked by the United States Postal Service within one (1) year of the date of marriage.

### 715:10-15-10. Retirement plans

A member may elect to receive a monthly life annuity under one of the following plans:

(1) The Maximum ~~Retirement Plan of Retirement~~ (hereafter referred to as the maximum plan) provides the greatest monthly lifetime benefit that each individual member's years of creditable service and average salary permit. The maximum ~~retirement~~ plan is the monthly ~~entitlement~~benefit calculated using the standard retirement formula set by statutes. In the event the total ~~retirement~~benefit payments made prior to the death of a retired member are less than the member's accumulated contributions (with any interest credited to the account prior to July 1, 1968), the difference shall be paid to the member's designated beneficiary or to the member's estate, ~~if no designated beneficiary survives the member~~ whichever is applicable.

(2) Retirement Option 1 provides a slightly reduced lifetime benefit. The monthly ~~entitlement~~benefit is the difference between the annuity portion of the maximum ~~retirement~~ plan and the annuity portion of an Option 1 retirement plan subtracted from the ~~Maximum~~maximum retirement plan. If the retired member dies before receiving in the annuity portion of the monthly payments an amount equal to the member's deposits (with any interest credited to the account prior to July 1, 1968), the remaining balance shall be paid in a lump sum to the member's designated beneficiary or to the member's estate, ~~if no beneficiary survives the member~~ whichever is applicable. (The member's deposits are "protected" for the member's beneficiary for a longer period of time than under the maximum ~~retirement~~ plan, hence, the monthly benefit is less than the ~~Maximum~~maximum benefit.)

(3) Retirement Option 2 provides a reduced monthly benefit payable to the member for life. At the death of the retired member, the same monthly benefit payable to the member shall continue to the member's joint annuitant, if living. This option is known as a "100% joint survivor annuity." The reduction in the monthly benefit is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The ages of the member and joint annuitant are an important factor in computing this benefit. The joint annuitant for the Option 2 retirement plan may be the member's spouse, another person, or the beneficiary of a Discretionary and Special Needs Trust as provided in 70 O.S. § 17-105(gM).

(3). If the designated joint annuitant is not the member's spouse, IRS Regulations require that the adjusted member/joint annuitant age difference cannot be more than ten (10) years. The adjusted member/joint annuitant age difference is determined by first calculating the excess of the age of the member over the age of the joint annuitant based on their ages on the date of retirement. If the member is younger than age 70, the age difference determined in the previous sentence is reduced by the number of years that the member is younger than age 70 based on the member's age on the date of retirement. If the adjusted member/joint annuitant age difference is greater than ten (10) years, the Option 2 retirement plan is not available. In the event the member's joint annuitant dies at any time after the member's retirement date but before the death of the member, the member shall return to the retirement benefit, including any post-retirement benefit increases the member would have received, had the member not selected the Option 2 retirement plan. The joint annuitant designation cannot be changed under any circumstance after the date of retirement except as provided in OAC 715:10-15-11. The reduction in the monthly payment is much greater than under all other retirement options because two people are protected for the life of both individuals.

(4) Retirement Option 3 provides a reduced monthly benefit payable to the member for life. At the death of the retired member, one-half (or 50%) of the monthly benefit payable to the member, shall continue to the member's joint annuitant, if living. This option is known as a "50% joint survivor annuity." The reduction in the monthly benefit is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The age of the joint annuitant is an important

factor in computing this benefit. The joint annuitant for the Option 3 retirement plan may be any person or the beneficiary of a Discretionary and Special Needs Trust as provided in 70 O.S. § 17-105(g)(3). In the event the member's joint annuitant dies at any time after the member's retirement date but before the death of the member, the member shall return to the retirement benefit, including any post-retirement benefit increases, the member would have received had the member not selected the Option 3 retirement plan. The joint annuitant cannot be changed under any circumstance after the date of retirement except as provided in OAC 715:10-15-11. The reduction in the monthly payment, while not as great as in the Option 2 plan, still requires a substantial reduction because two people are protected for the life of both individuals.

(5) Retirement Option 4 provides a reduced monthly benefit payable to the member for life. In the event the retired member dies within one hundred twenty (120) continuous months from the date of retirement, the balance of the payments is continued to the designated beneficiary until a total of one hundred twenty (120) months have been completed. The actual reduction is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The beneficiary must be designated at the time of retirement. The Option 4 retirement plan is not available for a member whose retirement date is on or after the member reaches age 93. However, if the designated beneficiary is the member's spouse, the Option 4 retirement plan may be selected if the 120-month period does not extend beyond the joint life and last survivor expectancy of the member and the member's spouse. If the beneficiary dies before the total number of "guaranteed" months have been completed, the remaining payments shall be computed at the rate of interest used in determining the original guarantee. The funds remaining shall be paid to the administrators, executors or assigns of the last surviving payee. Option 4 retirement plan will be revoked by the Board of Trustees December 31, 2025. Beginning January 1, 2026, it will no longer be available as a retirement plan option for TRS members.

### **715:10-15-10.2. Partial lump-sum payments**

Any member of the ~~Teachers' Retirement System~~ TRS with 30 or more years of service credit may elect to receive a partial lump-sum payment in exchange for a reduced annuity. The application for a partial lump-sum payment will be added to the retiring member's final contract for retirement on a form prescribed by the Board of Trustees. A beneficiary of a deceased active member is not eligible to select a partial lump-sum payment.

(1) A member may elect to receive a partial lump-sum payment in an amount equal to the unreduced retirement benefit (~~Maximum Retirement Allowance Plan~~) which would have been paid over a period of 12, 24 or 36 months, had the lump-sum option not been selected. Once the payout amount is selected, a reduced Maximum ~~Retirement Plan~~ Allowance is then calculated using factors based upon the member's age at retirement and the payout option (12, 24, or 36 months) selected. This reduced Maximum ~~Retirement Plan~~ Allowance then serves as the basis upon which other optional payment alternatives will be calculated pursuant to 70 O.S. § 17-105 and OAC 715:10-15-10.

(2) The partial lump-sum payment shall be ~~paid in a single check issued separately~~ issued separately from the regular monthly retirement ninety (90) days after the date of the retiring member's first monthly benefit payment. The partial lump-sum payment cannot be returned to ~~the Retirement System TRS~~ once it has been received by the member.

(3) The partial lump-sum payment shall be subject to federal income tax in accordance with Internal Revenue Code or applicable Internal Revenue Service regulations. In accordance with IRS regulations, the member may elect to roll over the partial lump-sum payment into an eligible individual retirement account (IRA) or other eligible retirement plan, ~~including the Oklahoma Teachers' Retirement System's 403b Tax Sheltered Annuity Plan if you already have an established account prior to expected retirement date.~~

(4) The total amount of the partial lump-sum payment shall be deducted from the member's account balance consisting of the employee contributions plus interest posted to the member's account prior to July 1, 1968, for the purpose of determining unused contributions remaining in the account.

(5) The partial lump-sum payment will be based on the service credit and average compensation, including projected compensation, at the time of retirement, but may be issued before final compensation and contributions are received and posted to the member's account. TRS reserves the right to correct any overpayment or underpayment discovered after final compensation and contribution postings have been received. Should the member have been overpaid, TRS will collect such overpayment from the member, based on an adjustment to the member's monthly benefit. Should the member have been underpaid, TRS will adjust future monthly benefit payments to compensate the member for the amount of the underpayment.

(6) A retiree, having received a partial lump-sum payment, who is reemployed and returns to membership contributing status pursuant to OAC 715:10-17-13, shall have his or her subsequent retirement benefit calculated taking into consideration that a partial lump-sum payment has been received.

(7) Should the retiring member die after the effective date of retirement, but before the partial lump-sum payment is made, the payment will be made to the beneficiary(ies) designated by the retiring member on the final contract for retirement, unless the member filed a separate beneficiary form specifically designating a third party as the beneficiary of the partial lump-sum payment.

(8) If the retiring member is married at the time of retirement, the member's spouse must sign the member's partial lump-sum application form acknowledging the retiring member's intent to receive a partial lump sum payment.

### **715:10-15-11.1. Designation of Trustee of Oklahoma Discretionary and Special Needs Trust as joint annuitant or beneficiary**

(a) 70 O.S. § 17-105~~(gM)~~(3) provides that any person who is eligible to be named as a beneficiary or joint annuitant, and who is also a beneficiary of a trust created under the Oklahoma Discretionary and Special Needs Trust Act, or comparable Trust Act under another state, may be a beneficiary or joint annuitant of a retired member by having the trustee of the trust established for the benefit of that individual named as the legal beneficiary or joint annuitant. Benefit payments shall be paid to the Trustee for the benefit of the beneficiary.

(b) If a beneficiary or joint annuitant, at the time of or subsequent to being named a beneficiary or joint annuitant of a TRS member, is or becomes the beneficiary of a Special Needs Trust, TRS will acknowledge the trust as the beneficiary or joint annuitant and make payments to the Trustee once the following has been submitted to and approved by TRS:

(1) Trust creation documents which include the following:

(A) Provision that the trust is non-revocable;

(B) Provision for only one beneficiary of the trust which cannot be changed and provision no other beneficiaries may be added; and,

(C) Provision that the beneficiary must hold all interests in the trust except for the remainder interest to be paid in the event of the beneficiary's death;

(2) Signed and notarized acknowledgment from Trustee that he or she will notify TRS within 15 (fifteen) days of the death of the beneficiary, or in the event a new Trustee is appointed, or any other change to the Trust documents that would affect the eligibility of the beneficiary or Trustee from being eligible to be named a beneficiary under subsection (b) such as addition of a beneficiary, etc.; and, the tax identification number of the Trust, as well as the Social Security number of the Trust beneficiary.

### **715:10-15-15. Disability retirement; application; effective date**

(a) Any member who is actively employed in the public schools of Oklahoma and is regularly contributing to TRS may be retired due to a medical disability, which renders the member unable to perform regular employment duties, provided such member:

(1) has at least ten (10) years of Oklahoma ~~contributory~~ membership service,

(2) ~~timely~~ submits a complete application for disability retirement, and,

(3) is found by the Medical Board of TRS; to be medically disabled to continue regular duties, or

(4) meets the requirements of paragraphs (1) and (2) of this subsection; and ~~files~~timely submits to TRS a Social Security Award Notice or other sufficient written documentation from the Social Security Administration certifying the member has been approved for disability benefits by the Social Security Administration, U. S. Department of Health and Human Services,

(5) however, a member who is eligible for unreduced regular retirement is not eligible for disability retirement benefits.

(b) A member who has terminated employment or is on leave without pay status shall be eligible for disability retirement by meeting the provisions of paragraph (a) of this rule, ~~providing~~provided the disability existed at the time the leave without pay status commenced or the termination of employment from the public schools of Oklahoma occurred, and the disability was the reason for the leave status or termination of employment.

(c) The application for disability retirement required in paragraph (2) of subsection (a) of this section must include:

(1) a detailed statement by the member as to the nature of the disability and ~~the reasons~~show the disability prevents the member from performing the regular duties of the member's current position.

(2) a detailed statement by the member's employer (chief administrative officer or personnel officer) as to the nature of the ~~member's regular job duties, disability and the reasons~~show the disability prevents the member from performing the regular duties assigned to the position of employment, and

(3) a detailed report by the member's physician giving the medical nature of the disability. The attending physician's report should certify that the member, in the physician's judgment, is mentally or physically incapacitated from further performance of duty, that such incapacity is likely to be permanent, and that the member should be retired. Any examination required to complete this report must be at the expense of the member. The physician must be a Doctor of Medicine or Doctor of Osteopathy and in good standing. In conditions related to the eye(s), the physician must be an ophthalmologist in good standing. In conditions related to hearing, the physician must be an otolaryngologist or Doctor of Audiology and in good standing. For mental health conditions, the physician must be a Doctor of Clinical Psychology or Doctor of Psychiatry and in good standing.

(d) TRS must receive the complete application for disability retirement along with all supporting documents, such as medical records or a Social Security Award Notice, by the first day of the month in which the Medical Board is scheduled to meet.

(e) The effective date for disability retirement must always be on the first (1st) day of the applicable month. The effective date will be the later of (1) or (2) below, but an effective date can never occur prior to receipt of the complete disability retirement application:

(1) the first day of the month in which the disability application is approved by the Medical Board, ~~and subsequent to termination of employment in the public schools provided a bona fide separation of service occurs no later than the 10th of the month the disability application is approved~~, or

(2) the date determined by the Board of Trustees after an administrative review, if such review is requested by the member pursuant to the Administrative Procedures Act 75 O.S. 250 et seq., ~~but in no instance will the effective date be prior to the first day of the month following receipt of the complete disability retirement application.~~

(f) The disability retirement becomes binding on the effective date specified in subsection (e) of this section. Disability retirements and cannot be revoked except by written request from the member delivered to TRS or postmarked by the United States Postal System prior to the effective retirement date as provided by (see OAC 715:10-15-5) or by returning to active service employment as provided in (See OAC 715:10-15-21715:10-15-18).

(g) The disability retirement benefit shall be calculated in the same manner as regular retirement benefits described in OAC 715:10-15-7, with the exception that no reduction will be made due to the age of the member. Providing that any member who qualifies for disability benefits after June 30, 2003, who is married at the time his or her disability benefits commence, may elect an actuarially reduced 100% joint survivor retirement benefit based on factors provided by the System's consulting actuary.

(h) The disability retirement benefit is payable under the same provisions as the Maximum Plan of Retirement-Plan or Retirement Option 2 explained in OAC 715:10-15-10. Payments are made monthly for the life of the retiree or until the member is able to return to employment (See OAC ~~715:10-15-21715:10-15-18~~). The only survivor benefits available to a disabled member's beneficiaries or estate ~~is~~ are a return of any member contributions not paid to the member in the form of monthly benefits and the \$5,000 death benefit provided per statute, unless provided the return of member contributions is not available if the disabled member elected the reduced benefit option to provide the spouse a monthly benefit as described in subparagraph (g) of this section.

(i) If the disabled member elects to receive an actuarially reduced 100% joint survivor retirement benefit, the surviving spouse will continue to receive the disabled member's monthly benefit for life. At the death of the disabled member, the surviving spouse member's designated beneficiary for the death benefit, or the member's estate if there is no designated beneficiary, will receive the \$5,000 death benefit provided by statute. If the disabled member's spouse should die before the disabled member, the disabled member's monthly disability benefit will be increased to the amount the disabled member would have been entitled to receive if the disabled member had elected the maximum disability benefit Maximum Plan of Retirement. The increased monthly benefit will become effective the first day of the month following the death of the disabled member's spouse providing proper notice is received by TRS and will be paid; as provided in OAC 715:10-15-10.1.

#### **715:10-15-16. Review by Medical Board and Recommendation of Permanent Disability Retirement or Temporary Disability Retirement**

(a) ~~Upon timely receipt of the application for disability retirement under 715:10-15-15(d), the TRS Medical Board will review the application at its next regularly scheduled monthly meeting. The Medical Board may recommend a member for permanent disability retirement or for a temporary disability retirement when in its opinion the prognosis of the disability is of a temporary nature. The Medical Board will provide written notification to TRS members of its determination regarding disability retirement, including any applicable reasons for denial. If the denial was due to a lack of information, the Medical Board may request additional evidence from the TRS member, including an additional medical examination as set out in OAC 715:10-15-17. The member may then submit additional medical evidence for further review within 30 days of receipt of the denial notification from TRS, provided the Medical Board can waive the 30 day deadline for good cause shown. Good cause will include a requested additional medical examination occurring outside the 30 days. or If the Medical Board denies disability retirement without requesting additional information, the TRS member may request an administrative hearing pursuant to the Administrative Procedures Act, 75 O.S. Section 250 et seq., and OAC 715:1-1-10 (with the exception of subparagraphs 1 and 2) within sixty (60) days of notification of the Medical Board's adverse recommendation.~~

(b) ~~When the Medical Board determines disability is of a temporary nature, it may recommend temporary disability retirement when in its opinion the prognosis of the disability is of a temporary nature. Temporary disability retirement benefits may be provided for six (6) to or twelve (12) months. Temporary disability retirement benefits will automatically cease at the end of the prescribed period if additional disability retirement benefits are not awarded through reapplications subject to re-examination by the Medical Board at the end of the prescribed period. If a member is granted temporary disability, the member may apply for permanent disability, or reapply for temporary disability, only within one (1) month of the expiration of the temporary disability.~~

(1) Reapplication means timely providing to TRS a completed disability re-evaluation packet with all associated documents, including the applicable medical records from the member or a Social Security Award Notification or similar documentation. TRS will provide the re-evaluation packet to the member upon the member's request.

(2) Timely reapplication occurs when TRS receives the complete re-evaluation packet with all associated documents at least 30 days before temporary disability retirement expires.

(3) If completed reapplication documents are not timely received by TRS, reapplication for either temporary or permanent disability benefits is considered waived by the member. This terminates the disability retirement process for the associated disabling condition(s), subject to subsection (c) below.

(4) The Medical Board will review all timely and complete reapplication documents at the next regularly scheduled monthly meeting and provide written notification to TRS members of its determination regarding disability retirement, including any applicable reasons for denial. The member will be notified in writing of the recommendation of the Medical Board. If disability benefits are not recommended by the Medical Board, the reason will be provided to the member in writing. If the denial was due to a lack of information, the Medical Board may request additional evidence from the TRS member, including an additional medical examination as set out in OAC 715:10-15-17. The member may then submit additional medical evidence for further review within 30 days of receipt of the denial notification from TRS, provided the Medical Board can waive the 30 day deadline for good cause shown. Good cause will include a requested additional medical examination occurring outside the 30 days. or If the Medical Board denied disability retirement without requesting additional information, the TRS member may request an administrative hearing pursuant to the Administrative Procedures

Act, 75 O.S. Section 250 et seq., and OAC 715:1-1-10 (with the exception of subparagraphs 1 and 2) within sixty (60) days of notification of the Medical Board's adverse recommendation.

(c) In the event the Medical Board denies a request for disability retirement and the TRS member can later document disability rendering the member unable to perform regular employment duties in Oklahoma public education with medical evidence that was not in existence at the time either the Medical Board issued its previous denial or the member waived reapplication for disability retirement benefits, the TRS member may re-apply for disability retirement provided the TRS member can otherwise satisfy the requirements of OAC 715:10-15-15 at the time the member reapplies, including but not limited to the requirement that the disability existed at the time either leave without pay or termination from employment in public education occurred.

#### **715:10-15-17. Additional medical evidence can be required**

~~If, in the opinion of the Medical Board determines, additional information is necessary, the Medical Board can request it. If the Medical Board determines additional medical examination by a consulting physician of the Medical Board is necessary, the member will be required to~~ shall submit to an examination by ~~another~~ a consulting physician designated by the Medical Board. ~~While TRS will seek to secure TRS will appoint a consulting physician at its cost, and~~ generally from the applicant's area of residence, ~~the Medical Board retains the final decision to perform such an examination. TRS shall be responsible for the cost charged by the consulting physician for the examination.~~ Personal expenses, including travel by the member, cannot be paid by TRS. ~~The Medical Board retains the right of final determination of the consulting physician designated to conduct any additional examination.~~ Failure to report for an examination; without prior arrangement with TRS for an extension; shall be deemed cause for rejection of disability retirement, or immediate termination of disability benefits when a member is receiving temporary disability benefits. If the Medical Board disagrees with the opinion of ~~the its~~ consulting physician ~~designated by the Medical Board~~, the Medical Board must specifically state its opinions and conclusions in its recommendation of denial.

#### **715:10-15-18. Discontinuance of disability retirement Suspension, termination, or reduction of disability retirement benefits**

(a) ———Refusal to Undergo Medical Examination: The Medical Board may require any member who has been retired under a disability, and who has not reached age sixty (60), to undergo a medical examination. Refusal to submit to the examination results in ~~discontinuance~~ temporary suspension of disability retirement benefits until such examination is completed. If the medical report from such examination leads to a recommendation by the Medical Board that a member's disability benefits should be permanently terminated, that information will be provided to the member, and the member will be advised of the right to appeal the recommendation under 715:1-1-10. Disability benefits will continue to the member while the appeal process is pending before the Board of Trustees. [See 70 O.S. §17-105(H)(3).]

#### (b) Return to Employment:

(1) ~~Any member~~ Members receiving disability retirement benefits with a membership date before November 1, 2011 who are under age 62, ~~receiving disability retirement benefits who~~ and members receiving disability retirement benefits with a membership date of November 1, 2011 or after who are under age 65 will be referred to hereafter as members retired by disability prior to their normal retirement age.

(2) Members retired by disability prior to their normal retirement age who ~~returns~~ return to employment must notify TRS and provide documentation in a manner required by TRS of their expected start date, expected duties of employment, number of hours expected to be regularly worked per week, part-time or fulltime employment status, number of days expected to be worked in the fiscal year, and anticipated annual salary. This notification and information must be received by TRS prior to the member's return to employment.

(3) TRS will review the information to determine whether the employment necessitates a reduction of the annual retirement benefit or a determination that the member's disability retirement benefit shall be terminated due to the member's return to active service in TRS. [See 70 O.S. §17-105(H)(4) and (H)(5).]

(A) If the salary in gainful employment is not more than the difference between the member's final average salary and the annual benefit amount being received, no changes will occur to the annual disability benefit, provided if the member returns to employment in active contributory employment in Oklahoma public education earning membership service pursuant to OAC 715:10-13-1, the disability benefit will be assessed as provided in subparagraph (C) below. For clarity, members who return to work at a TRS participating employer without earning service credit will have the postretirement contributions due to TRS from their TRS participating employer. [See 70 O.S. §17-116.10(B).]

(B) If the salary in gainful employment is more than the difference between the member's final average salary and the annual benefit amount being received, TRS will reduce the annual benefit to an amount which, when added to the salary from employment, equals the member's final average salary, provided if the member returns to active contributory employment in Oklahoma public education earning membership service pursuant to OAC 715:10-13-1, the disability benefit will be assessed as provided in in subparagraph (C) below. For clarity, members who return to work at a TRS participating employer without earning service credit will have the postretirement contributions due to TRS from their TRS participating employer. [See 70 O.S. §17-116.10(B).]

(C) Notwithstanding subparagraph (A) and subparagraph (B) above, for members who return to active contributory employment in Oklahoma public education earning membership service pursuant to OAC 715:10-3-

1. TRS will temporarily suspend the disability retirement benefit according to the timeline provided in OAC 715:10-17-14.

(i) If the member continues such employment and completes 6 months of active contributory employment, the member will be restored to active service in TRS. At such time, disability retirement will be permanently terminated. The unused portion of accumulated contributions shall be re-established in the member's account. If the member later completes a service retirement, eligibility to receive a monthly retirement allowance shall be based on total years of creditable service earned.

(ii) If the member terminates such employment before completing 6 months of active contributory employment, TRS will reinstate the monthly disability benefit upon satisfactory proof of termination. Satisfactory proof will be determined in the sole discretion of TRS. The reinstatement date will be determined according to the timeline provided in OAC 715:10-17-14, provided payment of such reinstated benefits may be delayed depending when the member provides notice of the terminated employment to TRS. It is in the member's best interest to provide notice of terminated employment to TRS as soon as possible.

(I) Employee contributions that were remitted will be refunded to the member after termination as soon as practical and will be paid as a lump sum without interest. For clarity, these contributions will be rollover eligible.

(II) Employer contributions that were remitted will not be refunded.

(4) When TRS discovers a member receiving disability retirement benefits has returned to work but failed to provide TRS notice and documentation as set out in paragraph (2) of subsection (b) above, TRS shall temporarily suspend the disability retirement benefit. The member must provide all such required information to TRS, and TRS will conduct the analyses in paragraph (3) of subsection (b) to determine whether and how to reinstate the disability retirement benefit and to determine whether TRS paid out excess disability benefits.

(A) Disability retirement benefits which were suspended but are found to be owed will be paid in a lump sum without interest once TRS confirms such benefits are owed, subject to offset for excess disability benefits recoupment.

(B) Excess disability benefits are those received in violation of subparagraph (B) or (C) in paragraph (3) of subsection (b) above. TRS will notify the member of excess disability benefits due and pursue recoupment. TRS will offset excess disability benefits received against any retirement benefits owed or accumulated contributions due, as applicable, and can pursue other recoupment means available under the law. TRS can also accept payment of the excess disability benefits in a lump sum from the member.

(c) If TRS determines that a member retired by disability prior to normal retirement age is either subject to a reduction in the annual retirement benefit as set out in subparagraph (B) of paragraph (3) of subsection (b) above or is employed in any school or to a position consisting of duties similar to those required in the position held when disability benefits were approved shall immediately be subject to discontinuance of benefits before having been granted disability retirement, TRS may demand a medical re-examination to determine if the retiree remains qualified for disability retirement.

#### **715:10-15-20. Conversion of disability retirement to retirement option 2**

If a deceased disabled retiree had thirty (30) years or more of creditable service, and death occurred after June 30, 1981, but prior to the retiree receiving twelve (12) monthly retirement payments, the surviving spouse may elect to receive ~~an~~ a life annuity under the provisions of Retirement Option 2 as the death benefit. Such a benefit shall be based upon the retirement the deceased member would have been entitled to at the time of death under Retirement Option 2. The Retirement Option 2 death benefit shall be in lieu of all other benefits to which a surviving spouse or other beneficiary might otherwise be entitled to receive.

#### **715:10-15-21. Return to employment by a disabled retiree [REVOKED]**

A disabled retiree who returns to Oklahoma public school employment at an annual salary equal to or greater than the annual salary received at the time of disability shall again become a member of TRS. Disability retirement payments shall be suspended until the member has qualified to be restored to active service. Upon completion of six (6) months of membership service, the member shall be considered as having met the requirements to be restored to active service. At such time, disability retirement shall be terminated and the unused portion of the accumulated contributions shall be re-established with TRS. If the member again retires under a regular retirement allowance, eligibility to receive a monthly retirement allowance shall be based on total years of creditable service (see OAC 715:10-17-5).

#### **715:10-15-22. Reduction of disability benefits for excess earnings Reporting of gainful earnings for disability retirees**

~~In addition to the requirements of OAC 715:10-15-18(b)(2), TRS may require a disabled retiree under 62 years of age disabled retirees with a membership date before November 1, 2011 who are under age 62 and disabled retirees with a membership date on or after November 1, 2011 who are under age 65 to make a report of earnings received from gainful employment for the previous calendar year in a manner provided by TRS. Failure to timely submit a required report may result in TRS mandating a medical re-examination or temporary suspension of benefits until the report is filed. If TRS determines the retiree is receiving excessive earnings or is employed in a position consisting of duties similar to those required in the position held before having been~~

granted disability benefits, TRS may demand a medical re-examination to determine if the retiree remains qualified for disability retirement.

### **715:10-15-29. Suspension of Retirement Benefit Pending Proof of Life**

TRS has a fiduciary responsibility to ensure retirement benefits are not overpaid upon the death of members or joint annuitants. To that end, TRS may request in writing the return of a Proof of Life Affidavit proving "alive and well" status of members and joint annuitants receiving monthly retirement benefits from TRS as set out below. If a valid Proof of Life Affidavit is not returned to TRS or does not, in the sole discretion of TRS, satisfactorily prove the "alive and well" status of such member or joint annuitant, TRS may suspend the monthly retirement benefit until TRS receives satisfactory proof of life documentation.

(1) TRS will request the Proof of Life Affidavit via a dated letter to the member or joint annuitant requesting the return of the completed Proof of Life Affidavit. TRS must receive a valid Proof of Life Affidavit no later than 8 weeks from the dated letter.

(a) If a valid Proof of Life Affidavit is not received by the 8 week deadline, the retirement benefit will be suspended. If a valid Proof of Life Affidavit is later returned to TRS, TRS will provide in a lump sum without interest any missed monthly retirement benefits and will reinstate the monthly retirement benefit as of the next regular monthly benefit payment date.

(b) A valid Proof of Life Affidavit is one that is correctly completed, fully executed, and correctly notarized.

(c) Due to what can often be an exorbitant cost or the unavailability of a notary, for members or joint annuitants living outside the United States, in its sole discretion and upon good cause shown, TRS may allow an alternative to notarization or to the Proof of Life Affidavit. This will be considered on a case by case basis, and the member or joint annuitant is responsible for providing all evidence of good cause to TRS.

(2) TRS may request a Proof of Life Affidavit from any member or joint annuitant receiving monthly benefits who is age 89 or over, from any member or joint annuitant for which TRS receives a returned IRS Form 1099-R, and for all members or joint annuitants receiving monthly benefits who live outside the United States.

(3) TRS may request a Proof of Life Affidavit on an ad hoc basis from any member or joint annuitant receiving monthly benefits when TRS has a good faith basis. TRS will document internally the good faith basis. A good faith basis is automatically established in the case of suspected fraud or when a member or joint annuitant is reported as deceased to TRS by its death reporting service or another credible source.

## **SUBCHAPTER 17. POST-RETIREMENT EMPLOYEE**

### **715:10-17-2. Break between employment and retirement**

A retired member is not eligible to be employed by the public schools of Oklahoma, in any capacity, for sixty (60) calendar days between the retiree's last day of preretirement public-education employment and any postretirement public-education employment. For purposes of this section, the term "last day of preretirement employment" shall mean the last day the employee is required to be physically present on the job to complete the terms of the employment contract or agreement or the member's effective retirement date, whichever is later. An employee on paid leave is still considered to be employed for purposes of this section. Employment under any conditions during this time including volunteer services shall cause the forfeiture of all retirement benefits received during the period. A retiree is ineligible to return to work post-retirement until after their retirement date.

### **715:10-17-5. Permissible employment**

Post-retirement employment in the public schools, institutions, and agencies covered by TRS is allowed after the break in employment outlined in OAC 715:10-17-2 has been met. Employment subject to this section shall include any services performed by a retired member, as defined in this subchapter, except for payments received as an employee of the State Department of Education pursuant to 70 O.S. § 17-103(7E) or as an independent contractor or consultant, pursuant to a lawful contract that complies with the requirements of 70 O.S. § 6-101.2(B) and which is approved by TRS within sixty (60) days of the contract's effective date. TRS will follow guidelines in 70 O.S. §6-101.2(B) and federal guidelines from the Department of Labor and the Internal Revenue Service in determining when a retired person qualifies as an independent contractor or consultant.

### **715:10-17-6. Earnings limits**

(a) The earnings limit for the calendar year in which a member retires shall be one-twelfth (1/12) of the annual limit multiplied by the number of months the member is eligible to work and receive payments from the public schools of Oklahoma.

(b) Earnings from the public schools may not exceed one-half (1/2) of the member's final average salary used in computing retirement benefits, or the Earnings Limitation for employees allowed by the Social Security Administration, whichever is less. For retired members under the age of sixty-two (62) years, the limit on allowed earnings shall be the lesser of Fifteen Thousand Dollars (\$15,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits unless the earnings limitation allowed by the Social Security Administration would be greater than Fifteen Thousand Dollars (\$15,000.00). For retired members sixty-two (62) years of age or older the limit on allowed earnings shall be the lesser of Thirty Thousand Dollars (\$30,000.00) or one-half (1/2) of the member's final average salary used in computing retirement benefits.

(c) Earnings in excess of the maximum limit on allowed earnings from public schools of Oklahoma shall result in a loss of future retirement benefits, not to exceed the amount of the monthly benefits, for the year the postretirement employment was performed of One Dollar (\$1.00) for each One Dollar (\$1.00) earned over the maximum allowed earnings amount. All other limitations on post-retirement earnings shall be administered as directed in ~~Title 70, Oklahoma Statutes, Section 17-116.10~~ [70 O.S. §17-116.10].

#### **715:10-17-7. Employment by a disabled retiree**

~~A member retired under the disability retirement provisions of TRS is not eligible to be employed, in any capacity, by any school, public or private, in Oklahoma or in other state, from the date of retirement to age 62. After age 62, Members retired by disability prior to their applicable normal retirement age may only return to employment under the provisions of OAC 715:10-15-18. For clarity, members retired by disability prior to their applicable normal retirement age who return to work at a TRS participating employer under the provisions of subparagraphs (A) or (B) of paragraph (3) of subsection (b) of OAC 715:10-15-18 will have the postretirement contributions due to TRS from their TRS participating employer. Upon reaching the applicable normal retirement age, a member receiving disability retirement shall be eligible for post-retirement employment under the same conditions outlined above for other retired members.~~

~~(1) A disabled retiree who returns to Oklahoma public education employment at an annual salary equal to or greater than the annual salary received at the time of disability shall again become a contributing member of TRS. Disability retirement payments shall be suspended until the member has qualified to be restored to active service. Upon completion of six (6) months of membership service, the member shall be considered as having met the requirements to be restored to active service. At such time, disability retirement shall be terminated and the unused portion of the accumulated contributions shall be re-established in the member's active retirement account. If the member again retires under a regular retirement allowance, eligibility to receive a monthly retirement allowance shall be based on total years of creditable service (see OAC 715:10-15-21).~~

~~(2) Members receiving disability retirement from TRS who have not attained age 62 may be required by TRS to complete a report of earnings received from gainful employment for the previous calendar year in the manner provided by TRS and provide such information to TRS by April 15 each year. The report will list all "earned" income from all sources. Failure to provide this information upon request may result in suspension of monthly benefits if the executive director of TRS deems such action necessary and appropriate (see OAC 715:10-15-22).~~

#### **715:10-17-13. Election to return to qualifying employment**

Any retired member who returns to employment in the public schools of Oklahoma and is employed half-time or more as defined in OAC 715:10-3-2 and OAC 715:10-3-3 may return to post-retirement employment or active contributing status under the following conditions:

(1) Active Contributing Status. The retired member must file an irrevocable election to discontinue retirement benefits for the period of such employment. The return to membership contributing status must coincide with the beginning of a school year or the member must refund all benefit payments received from the beginning of the school year in which employment begins and make employee contributions on any compensation earned from the beginning of the school year to the date of the election to return to contributing status.

(2) The election must be completed by the employing school and signed by the retired member and an official who has authority to employ or pay regular employees of the school.

(3) The election must include the nature of the position held and the beginning date of employment. Retirement payments shall not be resumed during the summer months between consecutive years of this type of employment.

(4) The retired member and the employing public school shall remit employee and employer contributions in the same manner as active contributing employees.

(5) The retired member shall accumulate service credit in the same manner as active contributing employees of the system.

(6) Upon termination of employment, the retired member's monthly retirement benefits will resume with an adjustment to reflect credit for the additional employment as follows:

(A) The initial benefit calculated at the time of retirement will not be affected by the additional employment.

(B) Service credits will be accumulated and credited to the member's record in accordance with Subchapter 3 of this Chapter.

(C) A supplemental benefit for the year(s) of additional service will be calculated using the standard retirement benefit formula and the retirement plan and other options selected by the retiree when the member first retired (See OAC 715:10-15-7 and 715:10-15-7.1).

(D) The average salary used in calculating the supplement benefit will be the average of the salaries earned during this period of employment. In the event the member is employed for less than the number of years required to determine the appropriate average salary, the average will be determined by the number of years employed.

Annual salaries will be based on contributions made and determined on a school year basis.

(7) If the retired member is employed for a period of time which does not qualify for additional service credit, the employee contributions remitted by the retired member or by the employer on the retired member's behalf will be refunded to the retired member without interest. Employer contributions as provided by OAC 715:10-13-3 will not be refunded.

(8) The employer shall provide written notice to TRS when the retired member's employment is terminated. The retired member cannot resume benefit payments under this rule and remain employed. The retired member must comply with the sixty (60)-day non-employment rule that applies to a member who elects normal retirement. Retirement payments will be resumed effective the first of the following month, provided the necessary retirement paperwork is received within the prescribed timelines, otherwise benefits will be resumed the first of the next succeeding month. Any supplemental benefit determined pursuant to this section shall commence at the same time.

(9) If the retired member dies while engaging in half-time or more employment as provided in this section, the retired member's beneficiaries will receive any survivor benefits specified in the terms of the retirement contract elected by the member, the \$18,000 death benefit provided by OAC 715:10-9-2, if applicable, and a return of employee contributions, plus interest accumulated during the current employment, as defined in OAC 715:10-9-1. The beneficiaries of the deceased retired member will not be entitled to both the \$18,000 death benefit and the \$5,000 death benefit described in 70 O.S. §17-105(H) and (I).

(10) If a retired member does not file an election to discontinue monthly benefits while employed by the public schools of Oklahoma, he or she waives the accrual of service credit and the right to any supplemental benefit from service in the position. The retired member will, however, be subject to the earnings limits outlined in 70 O.S. §17-116.10.

(11) Retired members returning to half-time or more employment under this subchapter and section shall not be considered "active members" for purposes of purchasing or transferring any form of prior service credit of whatever nature.

(12) A retiree having received a partial lump-sum payment, who is re-employed and returns to membership contributing status pursuant to OAC 715:10-17-13, shall have his or her subsequent retirement benefit calculated taking into consideration that a partial lump-sum payment has been received.

#### **715:10-17-15. Salary limitations for certain returning classroom teachers [REVOKED]**

~~Legislation enacted during the 2021 legislative session allows members who retired on or before July 1, 2020, to return to employment as an active classroom teacher for a public school or career technology district with no earnings limitations in certain circumstances. Members seeking to return to employment as an active classroom teacher under this provision must meet all the following requirements:~~

~~(1) The member must have been retired as of July 1, 2020;~~

~~(2) The member must have been retired and drawing a TRS retirement benefit and not be employed by any public school or career technology district in any capacity for a period of twelve (12) consecutive months immediately following the last day of employment prior to their retirement date;~~

~~(3) The member can only be employed as an active classroom teacher as defined in 70 O.S. § 17-101(27) when they return to employment; and~~

~~(4) Within sixty (60) days of the member's return to employment, the member's employer must provide to TRS, in a manner prescribed by TRS, documentation establishing the member's eligibility under this provision:~~

~~(A) The Executive Director of TRS may waive the sixty (60) day requirement for good cause shown.~~

~~(B) To petition for waiver, either the TRS member, the employer, or both if appropriate under the circumstances, must provide written documentation of good cause to TRS along with documentation establishing eligibility under this provision.~~

### **SUBCHAPTER 23. STATE AND EDUCATION EMPLOYEES GROUP HEALTH AND DENTAL INSURANCE OKLAHOMA EMPLOYEES INSURANCE AND BENEFITS PROGRAM**

#### **715:10-23-1. State and Education Employees Group Health and Dental Insurance Oklahoma Employees Insurance and Benefits Program**

Members of ~~Teachers' Retirement~~ TRS who retire or terminate employment with at least ten (10) years of creditable service are eligible to enroll in the ~~State and Education Employees Group Health and Dental Insurance~~ Oklahoma Employees Insurance and Benefits Program. The retiring member must conform to rules and regulations promulgated by the ~~State and Education~~ Oklahoma Employees-Group Insurance and Benefits Board, which is the final authority on questions of eligibility for membership and coverage provided by the insurance plan. Questions regarding eligibility for insurance coverage and monthly premiums should be referred to the local school district's health insurance coordinator or the ~~State and Educations~~ Oklahoma Employees-Group Insurance and Benefits Board.

#### **715:10-23-2. Monthly health insurance premium supplement paid by the Teachers' Retirement System**

~~Teachers' Retirement~~ TRS will pay a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the ~~State and Education Employees Group Health and Dental Insurance~~ Oklahoma Employees Insurance and Benefits plan ~~Division~~ or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of ~~Oklahoma~~ creditable service prior to retirement. The term "participating education employer" for purposes of this subchapter shall have the same meaning as the term "public school" as defined by 70 O.S., ~~Section~~ §17-101. The payment shall be in accordance with 74 O.S., ~~Section~~ §1316.3, as amended, which provides that the supplement paid by ~~Teachers' Retirement~~ TRS shall be the

premium rate of the Medicare supplement charged to the retired employees not to exceed an amount between \$100 and \$105, depending on length of service and the final average salary of the retired member as specified in subsection 4 of Section 1316.3 of Title 74 of the Oklahoma Statutes.

**715:10-23-3. Participating education employers not enrolled in the ~~State and Education Employees Group Insurance~~Oklahoma Employees Insurance and Benefits Plan**

In accordance with 74 O.S., ~~Section~~ §1316.3, as amended, ~~Teachers' Retirement~~TRS will pay a monthly health insurance premium supplement to a participating education employer for all retired members enrolled in an insurance program provided to retired members of the employer, provided the retired member had at least ten (10) years of creditable service prior to retirement. For purposes of this section the following shall apply:

- (1) The participating employer must notify ~~Teachers' Retirement~~TRS that a retired member will remain enrolled in the insurance plan provided by the employer.
- (2) Each month ~~Teachers' Retirement~~TRS will provide the participating employer with a list of all retired members qualifying for the health insurance premium payment and a financial officer authorized by the school shall certify the listing is correct.
- (3) ~~Teachers' Retirement~~TRS will remit payment to the participating education employer upon receipt of the certified statement.
- (4) The participating education employer will be responsible for collecting additional premiums and remitting the total premium for each member to the health insurance provider.
- (5) The participating education employer shall file with ~~Teachers' Retirement~~TRS at least once each year the monthly premium charged for the medicare supplement insurance plan provided to retired members of the employer's insurance plan. In the event the medicare supplement premium is modified during the school year, the employer shall notify ~~Teachers' Retirement~~TRS at least thirty (30) days prior to the effective date of the change.

**715:10-23-5. Retired members ineligible for health insurance supplement**

Retired members who are not enrolled in either a ~~plan offered by the State and Education Employees Group Health Insurance~~Oklahoma Employees Insurance and Benefits Division plan or an insurance plan provided by a participating education employer are not eligible for the insurance supplement provided for in 74 O.S., ~~Section~~ §1316.3 as amended. Retired members who for any reason are not receiving monthly retirement benefits from ~~the Teachers' Retirement System~~TRS are not eligible for the insurance supplement.

**715:10-23-6. Health Insurance Contribution**

- (a) ~~The Oklahoma Teachers' Retirement System~~TRS shall contribute the amount required by law towards the cost of health insurance coverage under the ~~State and Education Employees Group Insurance~~Oklahoma Employees Insurance and Benefits Plan or other eligible group insurance plans only for retired members who actually receive a monthly retirement benefit for that month. This contribution shall not be made for beneficiaries, survivors or directly to the retired member.
- (b) For eligible group health insurance plans other than the ~~State and Education Employees Group Insurance~~Oklahoma Employees Insurance and Benefits Plan, ~~the System~~TRS will contribute the amount required by law after the group insurance plan has made application to ~~the System~~TRS and completed any necessary and required forms and/or agreements. The group insurance plan must be in compliance with Oklahoma law and offer insurance to all of the covered participating employer's employees, former employees who are vested and former employees who retired from that covered employer. The insurance plan shall provide a certification monthly detailing each covered retired member in the form and manner required by ~~the System~~TRS. The subsidy shall be paid in arrears for each eligible retired member.
- (c) As provided under 70 O.S. ~~Section~~ §17-108(~~13C~~)(12), and pursuant to the ~~federal~~ Internal Revenue Code Section 401(h) and Treasury Regulation §1.401-14, the Retirement Medical Benefit Fund shall be maintained as a sub-account of the Retirement Benefit Fund. From the Retirement Medical Benefit Fund, ~~the System~~TRS shall remit the amount specified in 74 O.S. ~~Section~~ §1316.3 for health insurance premiums.
- (d) All contributions to the Retirement Medical Benefit Fund shall be reasonable and ascertainable.
- (e) Contributions to the Retirement Medical Benefit Fund must be subordinate to the contributions to the Retirement Benefit Fund for retirement benefits. At no time shall the aggregate actual contributions to the Retirement Medical Benefit Fund (when added to actual contributions for life insurance protection under the plan, if any) be in excess of twenty-five percent (25%) of the total aggregate actual contributions made to the Retirement Benefit Fund (not including contributions to fund past service credits). The Board shall annually determine whether the twenty-five percent (25%) test has been met. If at any time the Retirement Medical Benefit Fund contributions (plus any life insurance contributions) would exceed the twenty-five percent (25%) test, the excess amount of contributions shall be transferred to the Retirement Benefit Fund for retirement benefits.
- (f) Forfeitures in the Retirement Medical Benefit Fund shall not be allocated to individual accounts under the fund, but shall be used for account expenses.
- (g) At no time prior to the satisfaction of all liabilities under the Retirement Medical Benefit Fund or termination of the fund shall any assets in the fund be used for, or diverted to, any purpose other than the providing of payment of ~~the System's~~TRS's portion of the monthly retiree health insurance premium benefit described by Title 74 O.S. ~~Section~~ §1316.3 and the payment of administrative

expenses. Assets in the Retirement Medical Benefit Fund may not be used for retirement or disability benefits or any other purposes for which other assets held in the Retirement Benefit Fund are used.

(h) The provisions of section 401(h)(5) of the Internal Revenue Code of 1986, as amended from time to time, shall apply upon the satisfaction of all liabilities under law and the Retirement Benefit Fund.