TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

Permanent Rules

Effective
August 26, 2021

Preface

The official permanent rules of the Teachers' Retirement System of Oklahoma are codified in Title 715 of the Oklahoma Administrative Code (OAC) and are maintained by the Secretary of State's Office of Administrative Rules. The following rules in this document are considered permanent "unofficial" rules.

Emergency rules are not necessarily contained in this document. Any emergency rule is considered promulgated and effective immediately upon the Governor's approval and are generally only effective through July 14 of the following legislative session or until the rules are superseded by another rule.

If any conflicts arise between material in the official/unofficial code and the law, the law takes precedence.

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Title 715 - Teachers' Retirement System
Chapter 1 - Administrative Operations

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715:1-1-1. Purpose

The rules of this Chapter have been adopted for the purpose of complying with the provisions of the Administrative Procedures Act, 75 O.S., Section 250 et seq, and for establishing and explaining the internal and external administrative operations of the Teachers' Retirement System ("TRS").

[**Source:** Amended at 36 Ok Reg 1252, eff 8-11-19]

715:1-1-2. Board of Trustees

The general administration and responsibility for the proper operation of the Teachers' Retirement System of Oklahoma, and effectively implementing the retirement statutes, are vested in the Board of Trustees. The statutory authority for the Board of Trustees is Title 70, Oklahoma Statutes, Section 17-106 [70 O.S. 17-106].

[**Source:** Amended at 10 Ok Reg 3877, eff 7-12-93; Amended at 19 Ok Reg 2726, eff 7-11-02; Amended at 29 Ok Reg 853, eff 8-1-12]

715:1-1-3. Medical Board

The statutory authority for the Medical Board is Title 70, Oklahoma Statutes, Section 17-106 [70 O.S. 17-106].

[**Source:** Amended at 29 Ok Reg 853, eff 8-1-12]

715:1-1-4. Administrative office [REVOKED]

[**Source:** Amended at 18 Ok Reg 49, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 29 Ok Reg 853, eff 8-1-12; Revoked at 38 Ok Reg 1580, eff 08-26-2021]

715:1-1-5. Executive Director

The Executive Director shall be the administrative officer for the Board of Trustees and shall be responsible for the general administration of the Teachers' Retirement System.

(1) All employees shall be under the direct supervision of the Executive Director.

(2) All vouchers drawn against TRS shall be signed by two members of the administrative staff: the Executive Director, the Deputy Executive Director of Operations, Chief Financial Officer, or the Assistant Chief Financial Officer.

(3) The Executive Director shall make reports to the Board of Trustees at its regularly scheduled meetings regarding administrative matters, funds and budgetary matters, and present statements showing the general condition of the System's finances.

[**Source:** Amended at 28 Ok Reg 978, eff 5-26-11; Amended at 37 Ok Reg 2248, 9-11-20]

715:1-1-6. Bonds (protective) [REVOKED]

[**Source:** Amended at 28 Ok Reg 978, eff 5-26-11; Revoked at 29 Ok Reg 853, eff 8-1-12]

715:1-1-7. Purchases

The Executive Director shall have authority to make such purchases of equipment and supplies as may be needed for the operation of TRS, subject to approval by the Board of Trustees.

[**Source:** Amended at 28 Ok Reg 978, eff 5-26-11]

715:1-1-8. Payment of payrolls and claims

(a) The Executive Director is authorized to approve and pay all payrolls for the regular personnel and extra help of TRS, as provided in the budget approved by the Board of Trustees. In the absence of the Executive Director, the Deputy Executive Director of Operations may approve payrolls.

(b) The Executive Director and TRS staff must comply with the Oklahoma Central Purchasing Act and associated policies and procedures in making purchases of supplies, printing materials and equipment. Internal approval of claims shall be made in compliance with the TRS Procurement Policy as approved by the State Purcashign Director from time to time.

[**Source:** Amended at 28 Ok Reg 978, eff 5-26-11; Amended at 33 Ok Reg 1102, eff 8-25-16; Amended at 38 Ok Reg 1580, eff 08-26-21]

715:1-1-9. Investment of funds [REVOKED]

[**Source:** Revoked at 29 Ok Reg 854, eff 8-1-12]

715:1-1-10. Grievances and complaints

Grievances and complaints are usually settled by correspondence or informal conference between the member or beneficiary and TRS staff.

(1) Any interested person with a grievance that cannot be settled in this manner may appeal the decision of the staff to the Executive Director of TRS. Request for an informal hearing before the Executive Director must be in writing and include a clear statement of the grievance or complaint. The Executive Director will provide a written response within thirty (30) days, stating the official position of Teachers' Retirement in the matter before appeal. The response will either grant or deny the appellant's request. If denied, the Executive Director shall provide to the member the applicable statutes, rules and administrative procedures used in reaching a decision to deny the appeal of the member. "Interested person" means any member of TRS; any beneficiary of a member; any retiree of TRS; any guardian, administrator, or executor of a member, retiree, or beneficiary; or any public school.

(2) Any decision of the Executive Director may be appealed to the Board of Trustees of the Teachers' Retirement System. The member must appeal the decision of the executive director within sixty (60) days of receipt of notification of denial by the Executive Director.

(3) All cases of appeals to the Board of Trustees will be assigned to an administrative hearing judge, who will conduct a hearing and prepare a proposed order for the Board of Trustees. The Executive Director shall appoint the administrative hearing judge from a list of individuals previously employed by the Board of Trustees to act in this role. Administrative hearings shall be conducted in the offices of the TRS at a time and date agreed to by the parties. Any party to the hearing shall provide timely notice to the other parties if a delay or failure to appear is anticipated.

(4) Hearings will be conducted under the provisions of the Administrative Procedures Act [75 O.S. 250 et. seq.]. Opportunity shall be afforded all parties to respond and present evidence and arguments on all issues involved. The administrative hearing judge will have the authority to conduct the hearing and rule on the admissibility of all evidence. Any party shall at all times have the right to counsel, provided that such counsel must be duly licensed to practice law by the Supreme Court of Oklahoma, and provided further that such counsel shall have the right to appear and act for and on behalf of the party he or she represents. Upon the completion of the hearing, the administrative hearing judge shall afford the appellant the opportunity to present a written brief and arguments to be included as part of the record. Legal counsel for TRS shall be provided an equal opportunity to respond to appellant's written brief and

arguments if requested. Once all evidence, arguments and briefs are received by the administrative hearing judge the record shall be closed.

(5) At the close of the hearing, the administrative hearing judge shall, as soon as practical, prepare a proposed order to be delivered to the Board of Trustees. This proposed order shall include findings of fact, based exclusively on the evidence and on matters officially noted in the record of the hearing, conclusions of law and a recommended order to the Board of Trustees. A copy of this proposed order shall be provided to all parties by the Executive Director.

(6) The interested parties shall have the right to file a written statement outlining any objections, exceptions and/or arguments for the Board of Trustees to consider in its consideration of the hearing judge's proposed order. This statement must be filed with TRS within twenty (20) days of receipt of the hearing judge's proposed order. No additional evidence or materials may be introduced with the written statement. The Executive Director and/or TRS staff may prepare a written response in rebuttal to the interested party's statement. A copy of any response by TRS will be provided to all interested parties at least ten (10) days prior to the time the appeal is scheduled for consideration by the Board of Trustees. The interested parties may waive the ten (10) day limit if it would delay scheduling the matter before the Board.

(7) The Executive Director may, prior to submitting the hearing officer's report to the Board of Trustees, settle any grievance or complaint in a manner agreeable to the interested parties. In settling any grievance, the Executive Director shall not exceed the authority previously granted to him or her by the Board of Trustees. The Executive Director shall report to the Board of Trustees any settlement which occurs after the hearing officer's report is filed.

(8) Consideration of the interested party’s case will be scheduled before the Board of Trustees as soon as possible after the proposed order and any additional written materials have been filed with TRS in accordance with this section. Unless mutually agreed to by all parties, no hearing before the Board will be scheduled within ten (10) business days of such filings.

(9) At the meeting at which the Board of Trustees will consider the proposed order, the interested parties will be afforded an opportunity to make a brief statement to the Board concerning the facts and any arguments he/she wishes to present and will be allowed to respond to questions from Trustees. Failure of an interested party to appear at the Board hearing without prior notification will result in the member relinquishing his right to be heard by the Board. If such absence was unavoidable, the interested party may petition the Board for a rehearing. The Chairman of the Board of Trustees will have final authority to set the amount of time any party may have to present information to the Board.

(10) After consideration of all evidence and arguments, both oral and written, the Board will make a final determination on the proposed order. The Board of Trustees may accept, reject or accept as-modified the proposed order. The Board may make its own conclusions and issue an order in concert with those findings; or re-open the case and hear evidence themselves. If the Board decides to hear the case, it will determine whether to review the complete record, including a transcript of the original hearing conducted by the administrative hearing judge and all documentary evidence, or open the case to receive new evidence and testimony. As in all matters before the Board, a quorum, as required by 70 O.S. §17-106, is necessary to approve any motion, resolution or order under consideration. A copy of the Board's final order will be delivered via mail to all interested parties and their representatives by TRS.

(11) Any interested party receiving an adverse ruling from the Board retains certain rights under the Administrative Procedures Act. The interested party may file an action for judicial review in District Court in Oklahoma County. Such action must be filed within thirty (30)

days after the aggrieved party is notified of the Board's final order. The interested party may also petition for a rehearing, reopening or reconsideration of the appeal by the Board. Such petition must be filed with the Executive Director of TRS within ten (10) days from the date of the Board's decision and must be based on 75 O.S. 317.

(12) The Administrative Procedures Act prohibits direct or indirect communications by members interested parties and/or the representatives of interested parties with the Board of Trustees in connection with any issue of fact or law regarding an appeal before the Board, except upon notice which provides an opportunity for all parties to participate. The Board of Trustees will not consider any evidence or statements made to them by members in connection with a pending appeal.

[**Source:** Amended at 9 Ok Reg 1331, eff 2-28-92 (emergency); Amended at 10 Ok Reg 3877, eff 7-12-93; Amended at 17 Ok Reg 202, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3068, eff 7-13-00; Amended at 19 Ok Reg 2726, eff 7-11-02; Amended at 28 Ok Reg 978, eff 5-26-11; Amended at 36 Ok Reg 1253, eff 8-11-19]

715:1-1-11. Information requests

From time to time, many professional organizations seek information from the Teachers' Retirement System for improving benefits. It is the desire of the Board of Trustees that the staff work with groups in an advisory capacity or to supply factual data. Requests for technical data that would require the services of the Board's consulting actuary are to be made in writing and will be reviewed by the Board before appropriate action is taken. Because there are a large number of professional organizations and affiliate groups which represent various segments of the teacher retirement membership, the Board encourages organizations to coordinate their efforts through their parent organization.

715:1-1-12. Public participation in adoption of rules

The Board encourages members to participate in the review and promulgation of rules governing the Teachers' Retirement System.

(1) Any interested person may informally request adoption of a rule by correspondence or conference with Teachers' Retirement System staff members. If satisfactory results cannot be achieved in this manner, any interested person may petition the Teachers' Retirement System to adopt, amend, or repeal a rule by filing a clear, written request to initiate rulemaking procedures with the executive director. The petition shall set forth the exact text of the proposed rule and the petitioner's name and address, and the name, business address, and telephone number of petitioner's counsel, if any. The petition may also include written documents in support of the petition.

(2) "Interested person" means any member of the Teachers' Retirement System; any beneficiary of a member; any retiree of the Teachers' Retirement System; any guardian, administrator, or executor of a member, retiree, or beneficiary; or any public school.

(3) The executive director shall grant or deny the petition within 60 days of its receipt. The executive director may consult informally with staff members and the petitioner in reaching a decision. The petition may be amended with consent of the petitioner at any time before a final decision is rendered.

(A) Upon granting the petition in writing, the executive director shall inform the Board and request authority to initiate rulemaking proceedings pursuant to the Administrative Procedure Act and the rules and regulations of the Teachers' Retirement System.

(B) Denial of the petition by the executive director, and reasons therefore, shall be in writing. The petitioner may appeal this decision to the Board of Trustees provided

that a written notice of appeal is filed with the executive director within sixty (60) days after the decision of the executive director is issued. If no such notice of appeal is timely filed, or if the next regularly scheduled meeting of the Board of Trustees will occur more than sixty (60) days after receipt of the petition by the executive director, and the petitioner is unwilling to waive the deadline for a final decision until that meeting, the decision of the executive director shall be the final decision of Teachers' Retirement System. The final decision of the Board shall be based on the written petition and written decision of the executive director unless the Board orders a hearing on the petition. If the Board approves the petition, the executive director shall initiate rulemaking proceedings pursuant to the Administrative Procedure Act and the rules and regulations of the Teachers' Retirement System.

(4) Oral and written data, views, and arguments on a proposed rule may be submitted informally to the executive director by informal conference or correspondence within twenty (20) days after publication of notice of the proposed rule is filed with the Department of Libraries.

(5) A written request for a public hearing on a proposed substantive rule may be submitted to the executive director within ten (10) days after publication of notice of the proposed substantive rule provided that the request is made by 25 persons, a governmental subdivision or agency, or an association having at least 25 members. The request shall contain the name and address of each person requesting the hearing and shall clearly specify the proposed rule for which a hearing is requested.

(6) The executive director shall schedule the proposed rule for hearing on a date no earlier than seven days after notice of the hearing date is published and no later than 20 days after receipt of the written request. The executive director or the Board of Trustees may reschedule the hearing in the interest of justice or administrative necessity or for good cause; however, the proposed rule shall not be adopted prior to the requested hearing.

(7) The executive director shall designate himself, a Teachers' Retirement System employee, or a specially appointed person as hearing officer to take the testimony of any interested person in support of or in opposition to the rule. The hearing officer shall designate the order of taking testimony and may establish reasonable time limits on oral testimony, provided that reasonable opportunity is given to amplify oral testimony in writing. All hearings will be held in the offices of Teachers' Retirement System, unless for good cause Teachers' Retirement System shall designate another place of hearing.

[**Source:** Amended at 28 Ok Reg 978, eff 5-26-11]

715:1-1-13. Change of address, name or district

When a member moves to a new address, or if there is a change of surname, TRS should be notified of such change in writing or via the TRS Client Portal. Please include the new name, the former name and the Social Security number or Member ID number. This procedure also applies to retired members whose checks are directly deposited to their banking accounts. When an employee moves from one school district to another, the employee shall notify TRS using the Personal Data Form that may be secured from the fiscal officer of the member’s employer or from the TRS website.

[**Source**: Amended at 19 Ok Reg 2726, eff 7-11-02; Amended at 33 Ok Reg 1102, eff 8-25-16; Amended at 36 Ok Reg 1254, eff 8-11-19]

715:1-1-14. Definition of IRS Code

The retirement system shall satisfy the applicable qualification requirements for governmental plans as specified in Sections 401 and 414(d) of the Internal Revenue Code of 1954 or 1986, as amended from time to time and as appropriate for a governmental plan (hereinafter referred to as the "Internal Revenue Code").

[**Source:** Added at 11 Ok Reg 4783, eff 9-12-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3283, eff 7-27-95]

715:1-1-15. Distribution Rules

(a) Notwithstanding any other provision of the administrative code, all benefits paid from the retirement system (other than the tax-sheltered annuity program) shall be distributed in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code and Treasury Regulations § 1.401(a)(9)-1 through § 1.401(a)(9)-9, even if the member has not submitted the appropriate notice. These provisions override any distribution options that are inconsistent with Internal Revenue Code Section 401(a)(9).

(b) In furtherance of this section, the Board of Trustees and its designee will apply the following provisions:

(1) The entire interest of each member:

(A) will be distributed to such member not later than the required beginning date; or

(B) will be distributed beginning not later than the required beginning date, in accordance with Treasury regulations over the life of such member or over the lives of such member and a designated beneficiary (or over a period not extending beyond the life expectancy of such member or the life expectancies of such member and a designated beneficiary).

(2) If distribution of the member's interest has begun in accordance with subparagraph (1)(B) and the member dies before his or her entire interest has been distributed to the member, the remaining amount shall be distributed at least as rapidly as under the method of distribution being used under subparagraph (1)(B) as of the date of the member's death.

(3) If a member dies before distribution of the member's benefits begins under subparagraph (1)(B), and if any portion of the member's interest is payable to or for the benefit of a designated beneficiary for the beneficiary's lifetime or for a period not to exceed the beneficiary's life expectancy, the distribution must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died. However, if the designated beneficiary is the surviving spouse of the member:

(A) the date on which the distribution is required to begin shall not be earlier than the date on which the member would have attained age 70 1/2 (age 72 for distributions required to be made after December 31, 2019, with respect to a member who would be attained age 70 1/2 after December 31, 2019), and

(B) if the surviving spouse dies before the distribution to such spouse begins, subparagraph (1)(B) shall be applied as if the surviving spouse were the member.

(4) For benefit payments to beneficiaries that are not covered by paragraph (3), if the member dies before distribution of the member's interest has begun in accordance with subparagraph (1)(B), the member's entire interest must be distributed within 5 years after the member's death.

(5) For purposes of this section, the term "required beginning date" means April 1 of the calendar year following the later of:

(A) the calendar year in which the employee reaches age 70 1/2 (age 72 for distributions required to be made after December 31, 2019, with respect to a member who would be attained age 70 1/2 after December 31, 2019), or

(B) the calendar year in which the employee retires.

(6) For purposes of determining benefits, the life expectancy of a member, a member's spouse or a member's beneficiary shall not be recalculated after benefits commence.

(7) The amount of benefits payable to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Internal Revenue Code Section 401(a)(9)(G).

[**Source:** Added at 11 Ok Reg 4783, eff 9-12-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3283, eff 7-27-95; Amended at 22 Ok Reg 2649, eff 7-11-05; Amended at 38 Ok Reg 1581, eff 08-26-21]

715:1-1-16. General IRS qualification rules

In addition to other Code provisions otherwise noted, and in order to satisfy the applicable requirements under the Code, the retirement system shall be subject to the following provisions, notwithstanding any other provision of the retirement system law:

(1) The Board of Trustees shall distribute the corpus and income of the retirement system to the members and their beneficiaries in accordance with the retirement system law.

(2) Forfeitures arising from severance of employment, death, or for any other reason may not be applied to increase the benefits any member would otherwise receive under the retirement system law.

(3) The Board of Trustees or its designee may not:

(A) determine eligibility for benefits,

(B) compute rates of contribution, or

(C) compute benefits of members or beneficiaries in a manner that discriminates in favor of members who are considered officers, supervisors, or highly compensated, as prohibited under Code Section 401(a)(4)

(4) The Board of Trustees may not engage in a transaction prohibited by Code Section 503(b).

(5) Compliance with Code Section 401(a)(2) for exclusive benefit and nondiversion of trust funds:

(A) The assets of the Plan shall never inure to the benefit of an employer and shall be held for the exclusive purpose of providing benefits to members and their beneficiaries and defraying reasonable expenses of administering the Plan.

(B) The trust fund must not revert, and no contributions shall be permitted to be returned, to the employers, except due to a mistake of fact as permitted by Revenue Ruling 91-4.

[**Source:** Added at 11 Ok Reg 4783, eff 9-12-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3283, eff 7-27-95; Amended at 34 Ok Reg 512, eff 2-3-17 through 9-14-17 (emergency); Amended at 34 Ok Reg 2104, eff 9-14-17]

715:1-1-17. Inspection, copy and/or reproduction fees

(a) Any request for a copy of a record not deemed confidential under 70.O.S. §17-109.1 from the Teachers' Retirement System of Oklahoma shall be granted upon payment of the following fees:

(1) First six (6) pages - Free

(2) Additional pages - $0.25 per page

(3) Certified Copies - $1.00 per page

(4) Facsimiles (Fax) - $1.00 per page

(5) Magnetic tapes or other electronic media - Actual cost

(b) These fees shall not apply to copies of the System's Rules and Laws books, Annual Reports, Plan Summaries or other publications sent to System members, scholars, authors, news media, or taxpayers seeking to determine whether those entrusted with the affairs of the government are honestly, faithfully, and competently performing their duties as public servants. These fees shall not be used for the purpose of discouraging requests for information or as obstacles to disclosure of requested information. If the request for a record is solely for commercial purposes or clearly causes excessive disruption of the System's essential functions, the Teachers' Retirement System of Oklahoma may charge a reasonable fee to recover the direct cost of the document search, as provided by 51 O.S., §24A.5 (3). Said reasonable fee shall be the equivalent of the applicable pro rata hourly wage of the System employee who performs the search multiplied by the total search time expended by that employee.

[**Source:** Added at 13 Ok Reg 3521, eff 8-26-96; Amended at 19 Ok Reg 2726, eff 7-11-02]

715:1-1-18. Retirement benefit reduction to pay a judgment or settlement as an offset

The Board of Trustees may approve an offset of a member's benefit to pay a judgment or settlement against the member for a crime involving the System, for a breach of the member's fiduciary duty to the System, or for funds or monies incorrectly paid to a member or a beneficiary by mistake. Such offsets will be made in accordance with any applicable state statutes and requirements of Section 401(a)(13) of the Internal Revenue Code of 1986.

[**Source:** Added at 17 Ok Reg 202, eff 9-8-99 (emergency); Added at 17 Ok Reg 3068, eff 7-13-00]

715:1-1-19. Appointment of Non-voting Trustee

(a) The Board of Trustees is composed of fourteen (14) voting members and one (1) non-voting member who is to be selected by a statewide organization representing retired educators under Section 17-106 of Title 70 of the Oklahoma Statutes. As there is the possibility that more than one statewide organization representing retired educators exists, TRS shall employ an annual process to determine which such organization has the ability to make the non-voting trustee appointment.

(b) The term "statewide organization representing retired educators" shall mean an entity primarily organized for the purpose of representing the interests of retired educators in this state and providing member benefits, as is defined in Section 17-122.1 of Title 70 of the Oklahoma Statutes. Furthermore, the entity must have at least two hundred (200) retired educators in its membership who are also members of TRS.

(c) Any organization that asserts that it meets the definition of a statewide organization representing retired educators shall make application to TRS to be recognized as the organization to make this selection. The application shall be submitted with documentation that shows the legal status of the organization (corporation, association, other). The material submitted shall also provide documentation formally adopted by the organization demonstrating the organization meets the definition of a statewide organization representing retired educators and documentation formally adopted by the organization detailing the internal procedure by which the organization will select the candidate to be appointed to the Board of Trustees.

(d) The Board of Trustees shall decide which organization(s) meet the definition of an eligible organization.

(e) Should more than one organization meet the definition of an eligible organization, the Board of Trustees shall maintain a register of eligible organizations and shall place the organizations meeting the definition on the initial register according to the membership number of the organizations, with the organization with the most members being listed first on the register, and the organization with

the lowest number of members being listed last. The organization listed first on the register shall follow its own governing documents to make the selection of the non-voting trustee, and provide notification of the appointment to TRS in writing by December 10, 2014. By September 30 of every year thereafter every organization on the register must re-certify to the System that it continues to meet the definition of statewide organization representing retired educators, and that it has at least two hundred (200) members who are retired educators. Any organization that fails to re-certify its eligibility or fails to meet the eligibility shall be stricken from the register by the System. By November 1 of every year the System shall notify the next organization listed on the register of its entitlement to make the non-voting member appointment for the next calendar year, with notification to TRS of the name of the appointed non-voting member in writing by December 10 of that year. This yearly procedure shall continue through the register sequentially until all organizations on the register have made an appointment to the Board of Trustees. Entitlement to make the appointment shall then return to the first organization listed on the register, and the procedure shall continue yearly in the same manner sequentially through the register.

(f) Any organization making application for eligibility and addition to the register after September 15, 2014, shall make application to TRS in the same manner described above. The Board shall decide by November 1 of the year in which the application is made if the organization meets the definition of an eligible organization. The organization shall then be added to the end of the register. In any year in which more than one organization is added to the register, it shall be added according to the membership number of the organizations, with the organization with the most members being listed first on the register, and the organization with the lowest number of members being listed last.

(g) The term of the non-voting Trustee appointment made hereunder shall be one (1) calendar year, from January 1 to December 31.

[**Source:** Added at 13 Ok Reg 3521, eff 8-26-96; Amended at 19 Ok Reg 2726, eff 7-1-15; Amended at 36 Ok Reg 1254, eff 8-11-19]

Title 715 - Teachers' Retirement System
Chapter 10 - General Operations
Subchapter 1 - Membership Provisions

715:10-1-1. Purpose
715:10-1-2. TRS membership eligibility
715:10-1-3. Mandatory TRS membership
715:10-1-4. Optional TRS membership
715:10-1-5. Ineligible for TRS membership
715:10-1-6. Date of Membership
715:10-1-7. Membership in education associations
715:10-1-8. Membership of Employees of Charter Schools

715:10-1-1. Purpose

The rules of this Chapter have been adopted for the purpose of complying with and implementing the provisions of 70 O.S., Section 17-102 et seq, which establish the Teachers' Retirement System of Oklahoma and place it under the management of the Board of Trustees.

715:10-1-2. TRS membership eligibility

TRS membership eligibility shall be governed by Title 70, Oklahoma Statutes, Section 17-103 [70 O.S. 17-103] and OAC 715:10-1-3, OAC 715:10-1-4 and OAC 715:10-1-5.

[**Source:** Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 29 Ok Reg 855, eff 8-1-12]

715:10-1-3. Mandatory TRS membership

Except as provided in the Alternate Retirement Plan for Comprehensive Universities Act, all classified employees are required by 70 O.S. 17-103 to be members of the Teachers' Retirement System as a condition of employment.

[**Source:** Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 29 Ok Reg 855, eff 8-1-12]

715:10-1-4. Optional TRS membership

The following employees are eligible to be members of the Teachers' Retirement System at their option:

(1) "Non-classified" employees employed by the public, state-supported educational institutions in Oklahoma for twenty (20) hours or more per week at a rate of compensation comparable to other persons employed in similar positions and receive payment for service by a school or state warrant, recorded on a warrant register with standard payroll deductions, and receive benefits generally provided to regular employees.

(2) Any member absent from the teaching service who is eligible to continue membership under special provisions of 70 O.S. 17-116.2, provided that such employee continues to be employed by a governmental agency.

(3) A visiting professor from another state or nation.

(4) Classified and Non-Classified members employed after retirement. (See OAC 715:10-17-13).

(5) Full-time, non-classified optional personnel who previously have opted out of TRS under OAC 715:10-11-2 may revoke their election and return to TRS participation. Providing, however, that such member is not eligible to redeposit the account withdrawn under OAC 715:10-11-2 or purchase credit for service performed after termination of membership and re-instatement of membership.

[**Source:** Amended at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[2]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 20 Ok Reg 2247, eff 3-5-03 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[3]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 29 Ok Reg 855, eff 8-1-12]

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

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

(1) A non-classified employee working less than 20 hours per week.

(2) A substitute, irregular, seasonal, graduate assistant, fellowship recipient, adjunct supplemental or temporary employee. (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. 17-116.2J.

(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.

[**Source:** Amended at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 29 Ok Reg 856, eff 8-1-12]

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(L), 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.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 25 Ok Reg 2598, eff 7-11-08; Amended at 29 Ok Reg 856, eff 8-1-12; Amended at 37 Ok reg 2249, eff 9-11-20]

715:10-1-7. Membership in education associations

Any member absent from employment in the public schools of Oklahoma because of election or appointment as a local, state or national education association officer prior to January 1, 2011, shall be allowed to retain membership in TRS by making the contribution required of such member by Title 70 Okla. Stat. Section 17-116.2 and any other applicable statute. For purposes of this section the following shall apply:

(1) An education association is defined as an organization of educators established for the sole purpose of promoting the advancement of educational goals in Oklahoma or at the national level. A local or state association must be duly organized under the laws of the state of Oklahoma with a charter or articles of incorporation filed with the appropriate state agency and must comply with all applicable laws of the state of Oklahoma. A national association must be duly registered or chartered for the purpose of furthering educational goals at the national level.

(2) An "officer in an association" is a current member of TRS who is elected or appointed to an employment position within the association commensurate with a position in the public schools of Oklahoma defined as "classified" personnel by 70 O.S. 17-101. The officer must receive compensation for services rendered commensurate with compensation received for similar services in the public schools of Oklahoma.

(3) A member must notify TRS in writing on the form provided by TRS, the member's intent to elect to continue membership in TRS within thirty (30) days of becoming employed by an eligible association. In making this election the member shall agree to make payment in accordance with 70 O.S. 17-116.2 for the period of employment that qualifies for continued membership and to comply with all statutes and rules of TRS in maintaining membership.

(4) The maximum years of creditable service a member may receive for one such absence shall not exceed twelve (12) continuous years. A member may again qualify for creditable service in an educational association provided that the member returns to employment in the public schools of Oklahoma for a minimum of the same number of years received as credit in the former education association.

(5) On the recommendation of the Executive Director, the Board of Trustees may deny eligibility to any local state or national association, when it is judged not to conform with the intent of 70 O.S. 17-116.2 or when it is determined that the association was not established for the sole purpose of promoting the advancement of education.

(6) Effective July 1, 1994, a member may elect to continue membership as provided in paragraph (3) above only if the member has ten (10) years of contributory Oklahoma service prior to July 1, 1994.

[Source: Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 20 Ok Reg 380, eff 10-16-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 23 Ok Reg 640, eff 9-1-05 through 7-14-06 (emergency)[2]; Amended at 23 Ok Reg 3073, eff 7-27-06; Amended at 28 Ok Reg 981, eff 5-26-11; Amended at 29 Ok Reg 856, eff 8-1-12**]**

715:10-1-8. Membership of Employees of Charter Schools

Employees of charter schools created pursuant to 70 OS § 3-130 et seq. are eligible for membership in the Teachers' Retirement System providing the governing board of the charter school applies for membership for its regular employees. Upon approval of the application for membership by the Board of Trustees all employees of the charter school shall join the Teachers' Retirement System under the same membership eligibility rules applying to employees of other public schools.

Employees of charter schools shall in all circumstances follow the rules applicable to other members of the Teachers' Retirement System. Employees of charter schools that do not apply or are not approved for membership in the Teachers' Retirement System shall not be eligible for retirement service credit for years of employment performed in a non-member status and such employees shall not be eligible to purchase service at any time subsequent to such employment.

[**Source:** Added at 17 Ok Reg 204, eff 9-8-99 (emergency); Added at 17 Ok Reg 3071, eff 7-13-00]

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Subchapter 3 - Service Eligibility

715:10-3-1. Requirements for creditable service
715:10-3-2. Requirements for fulltime service
715:10-3-3. Requirements for halftime service
715:10-3-4. Combining fractional years of service
715:10-3-5. Minimum compensation requirements

715:10-3-1. Requirements for creditable 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 service will be awarded. A school\employment year typically falls between July 1 and June 30 of any year. No service performed as an unpaid volunteer shall be counted as service credit. For service performed on or after July 1, 2013, creditable 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 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 service.) No more than one (1) year of creditable service shall be awarded for all service in any one (1) school year. For service performed on or after July 1, 2013, fractional service will be awarded for less than full-time employment performed during the contract year.

(b) For service performed from July 1, 2016, through June 30, 2019, 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 service performed from July 1, 2016, through June 30, 2019, the fractional 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 days per week or employment year than the full-time equivalent fractional service 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 service performed on or after July 1, 2019, the formula used to calculate 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. 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. 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 service performed on or after July 1, 2016, service credit of less than 1.0 shall be rounded to the nearest tenths (4 hundredths and lower will round down, and 5 hundredths and higher will round up).

[**Source:** Amended at 29 Ok Reg 857, eff 8-1-12; Amended at 33 Ok Reg 1104, eff 8-25-16; Amended at 35 Ok Reg 2121, eff 9-14-18; Amended at 36 Ok Reg 1256, eff 8-11-19]

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

(a) For 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 service after completing six (6) months or more of employment in a school year.

(2) No member shall receive one (1) year of 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 service.)

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

[**Source:** Amended at 29 Ok Reg 857, eff 8-1-12]

715:10-3-3. Requirements for halftime service

(a) For 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 service after completing six (6) months or more of employment in a school year.

(2) No member shall receive one-half (1/2) year of 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 service.

(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 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) 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 credit as provided for in Subchapters 1 and 3 of this chapter.

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

[**Source:** Amended at 29 Ok Reg 857, eff 8-1-12]

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

(a) For 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 service. It is not permissible to divide service rendered in one (1) year into fractional parts and combine these fractions with service rendered in two (2) or more years in order to gain additional years of service. All fractional service must be combined together before days of unused sick leave are applied to fractional service to obtain service credit. No more than one (1) year of 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 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 service.

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

[**Source:** Amended at 23 Ok Reg 3073, eff 7-27-06; Amended at 29 Ok Reg 858, eff 8-1-12]

715:10-3-5. Minimum compensation requirements

In addition to the above, the following chart outlines the minimum salary levels which constitute membership service credit for the time periods indicated:

Period	Minimum Time Worked	Required Annual Salary	Allowable Credit Monthly	Annually
07/01/43-06/30/61	9 months	$900	- -	1 year
07/01/61-06/30/64	10 months	Less than $1,000	Not Eligible	
		$1,000	- -	1 year
07/01/64-06/30/84		Less than $1,000	Not Eligible	
		$1,000-$1,500	1-1/2 months	1/4 year
		$1,501-$1,750	3months	1/2 year
		$1,751-$1,999	4-1/2 months	3/4 year
		$2,000 and over	6 months	1 year
07/01/84-06/30/13		Less than $2,000	Not Eligible	
		$2,000-$3,000	1-1/2 months	1/4 year
		$3,001-$3,500	3 months	1/2 year
		$3,501-$3,999	4-1/2 months	3/4 year
		$4,000 and over	6 months	1 year
07/01/13-Present			All fractional service eligible	

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 (emergency); Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 29 Ok Reg 184, eff 8-1-12]

Subchapter 5 - Establishing Other Service Credits

715:10-5-1.	Oklahoma service credit after July 1, 1943
715:10-5-2.	Employment as a substitute teacher in Oklahoma schools
715:10-5-3.	Official sabbatical leave from an Oklahoma school
715:10-5-4.	Cost to purchase Oklahoma service
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715:10-5-18.	Other restrictions on military service
715:10-5-19.	Out-of-state service credit
715:10-5-20.	Out-of-state service performed prior to July 1, 1943 [REVOKED]
715:10-5-21.	Out-of-state service performed after July 1, 1943
715:10-5-22.	Out-of-state service limited to maximum of five years
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715:10-5-24.	Continuous, consecutive out-of-state service
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715:10-5-32.	Roll-overs from other qualified plans or conduit IRAs
715:10-5-33.	Credit for family leave [REVOKED]
715:10-5-34.	Credit for adjunct service
715:10-5-35.	Employer pick-up of purchase of service credit
715:10-5-36.	Compliance with Code Section 401(a)(37) and the HEART Act
715:10-5-37.	Incentive service credit

715:10-5-1. Oklahoma service credit after July 1, 1943

Members may purchase credit for years of employment from July 1, 1943, to date of membership in the public schools of Oklahoma on which contributions were not remitted. One (1) full year (twelve calendar months) as a contributing member of TRS must be completed before a member may make such purchases. All purchased service must meet Teachers' Retirement System minimum requirements for eligibility, in effect at the time of purchase, and be properly documented before purchase is allowed. Payment shall not be allowed for any employment during a school year that was less than one-half (1/2) time, and no credit is allowed for periods of employment when a member participated in an alternate retirement plan as provided for by the Alternate Retirement Plan for Comprehensive Universities Act. All payments for past service must be made while an active contributing member of the Teachers' Retirement System or within sixty (60) days of termination of employment in the public schools of Oklahoma. Payment for service credit must be completed prior to the effective date of retirement and cannot be purchased by any person after the death of the member. (See OAC 715:10-5-4 for cost and method of payment).

[**Source:** Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 33 Ok Reg 1104, eff 8-25-16]

715:10-5-2. Employment as a substitute teacher in Oklahoma schools

A member of Teachers' Retirement System who was employed as a substitute teacher may purchase credit for such employment provided they were employed for 120 days in one school year. Such service shall be considered the equivalent of one (1) year of service. Members claiming credit for such service, and who have such service documented through Teacher Personnel, State Department of Education, must pay the actuarial cost of such service as defined by OAC 715:10-5-4. The maximum creditable service granted for substitute teaching shall be five (5) years. Under no condition may substitute teaching service from one school year be combined with substitute teaching service or any other employment from another school year to obtain 120 days of substitute teaching credit. The payment for such service credit may be made in one lump sum or in equal monthly installments up to sixty (60) months, as provided in OAC 715:10-5-4(9).

[**Source:** Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01]

715:10-5-3. Official sabbatical leave from an Oklahoma school

(a) A member may purchase credit for an official sabbatical leave performed prior to July 1, 1990, provided the member received at least one-half (1/2) pay from the employing school and the governing Board of the employing school or institution granted such leave in its official records or minutes as an "official sabbatical". Payment shall be based on the actuarial cost of such service as defined by OAC 715:10-5-4.

(b) A member may receive credit for an official sabbatical leave performed after July 1, 1990, providing the member receives at least one-half (1/2) pay from the employing school, the governing Board of the employing school or institution designates such leave as an "official sabbatical," and the member notifies the Teachers' Retirement System in writing of his or her intent to make contributions for sabbatical leave credit. To qualify, the member must receive at least one-half pay from the employing school. Compensation from other entities will not qualify in meeting the one-half pay requirement. Contributions for such employment shall be at a rate commensurate with the salary earned as a regular full-time employee in the last preceding school year. "Official sabbatical" means paid leave granted by the governing board of the employing school or institution. The member must elect to participate and make contributions to TRS at the time of the sabbatical. Sabbatical leave cannot be purchased by the member at a later date.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99]

715:10-5-4. Cost to purchase Oklahoma service

The purchase price for each year of Oklahoma service, unless otherwise specified, shall be based on the actuarial cost of the incremental projected benefits being purchased.

(1) The actuarial cost and any tables formulated for the purpose of determining such cost shall be based on the actuarial assumptions adopted by the Board of Trustees to be utilized in the actuarial valuation report for the Fiscal Year beginning each July 1. New actuarial assumptions approved by the Board subsequent to January 1, 1991, shall be incorporated into such tables with an effective date of the next January 1.

(2) The actuarial value shall be based upon the member's age, full-time equivalent salary and contribution level at the time of purchase (or the annual salary of the previous year, if greater), together with the earliest age for retirement with maximum benefits and actuarially assumed salary at time of retirement. If purchase is not made by the due date on the billing statement, the purchase must be recalculated and the actuarial cost may increase.

(3) For purposes of this actuarial cost, the member's age shall be determined as the age of last birthday.

(4) For purposes of this actuarial cost, the mortality tables shall be based upon mortality tables adopted by the Board of Trustees.

(5) The actuarial cost shall not be less than the contributions required of the member at a rate commensurate with the salary earned as a regular full-time employee the last preceding school year prior to the purchase. Individuals employed on a less than full-time basis shall have their salary adjusted upward, in a prorata manner, to the amount that would be earned if employed full-time.

(6) Payment may be made in a lump sum for all eligible years of service or in installments equal to establishing one (1) year of creditable service.

(7) A billing statement will be issued at the request of the member. The due date of payment shall be the date prior to the member's next birthday or June 30, whichever occurs first.

(8) A member may request payment of past service credits billed in accordance with provisions of 70 O.S. Section 17-116.8, as amended, to be amortized in monthly installments of not more than sixty (60) months. A payment schedule may be established allowing the member to make monthly payments directly to Teachers' Retirement or through payroll deductions by the member's employer if the employer agrees to make the deductions and remit payments to Teachers' Retirement. Payments remitted by an employer for its employees must be kept separate from the employer's regular retirement contributions and tax sheltered annuity deposits. Effective January 1, 2002, installment payments made through employer payroll deductions qualify for special tax treatment. (See OAC 715:10-5-35.)

(9) The installment payment schedule provided for in this section must be in equal monthly increments of twelve-month periods not to exceed sixty (60) months. The member shall be responsible for maintaining the payment schedule. Payments are due on the first day of each month. A monthly installment not paid within sixty(6) days of the due date will result in termination of the installment payment schedule with the member given the option of paying the balance of the actuarial cost or receiving partial credit for payments made under the installment schedule as provided for in paragraph (11) of this section.

(10) The monthly payment will be determined by amortizing the total amount due for the service to be purchased over the period of the installment schedule using an interest rate equal to the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings each year.

(11) If the installment payment is terminated for any reason, including termination of employment, death of the member or by cessation of payments, the member or his beneficiary will have the option of paying the remaining balance within six (6) months. If the balance is not paid, the member will receive credit for service prorated in whole years for only the principal amount paid. Any payment balance that is not used in crediting whole years will be refunded to the member.

(12) Credit will not be awarded for partial years of service unless the member's employment record is such that one-half (1/2) year of credit is included in the original service to be purchased.

(13) Credit for service purchased on an installment schedule will not be added to the member's account until the entire balance is paid, except as provided for in paragraph (11) of this section. All payments must be completed ninety (90) days prior to the effective retirement date of the member.

[**Source:** Amended at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Amended at 11 Ok Reg 4251, eff 7-25-94; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[2]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 25 Ok Reg 2598, eff 7-11-08; Amended at 29 Ok Reg 858, Revoked at 29 Ok Reg 860, eff 8-1-12; Added at 33 Ok Reg 1104, eff 8-25-16; Amended at 36 Ok Reg 1257, eff 8-11-19]

715:10-5-4.1. Payment of Contribution Deficit for Education Employees Service Incentive Plan

(a) A member whose Regular Annual Compensation, as defined in 70 O. S. § 17-101, was greater than $40,000 during the school years 1987-88 through 1994-95, must make an additional contribution based on his or her Regular Annual Compensation in excess of $40,000 to qualify for the provisions of OAC 715:10-15-7.2. A member who chooses not to make the additional contribution payment will not qualify for the EESIP formula.

(b) The payment required for any school year between 1987-88 and 1994-95 is the contribution rate in effect for each year applied to the difference between the member's total Regular Annual Compensation and the amount contributed by or on behalf of the member during the school year. This may include compensation in excess of $25,000, when the member elected not to contribute on earnings between $25,000 and $40,000 for these school years or when the school failed to contribute on the member's total compensation up to $40,000 for any school year during this period. In addition to the contribution balance, compound interest of ten percent (10%) per annum will be included in the balance due for each year. The interest rate will be applied from June 30 of the school year to the date payment is made to the Teachers' Retirement System.

(c) To qualify for the movement of the first two (2) years of service credits performed before July 1, 1995, the member must make any payment due for the 1993-94 and 1994-95 school years. To qualify for the next two (2) years of service performed prior to July 1, 1995, the member must make any payment due for the 1991-92 and 1992-93 school years. Payment for additional years of service performed prior to July 1, 1995, will be required in descending order back to the 1987-88 school year.

(d) Payment must be made in accordance with existing Internal Revenue Service regulations in effect at the time of payment. TRS will accept after-tax contributions and pre-tax direct or indirect rollovers and transfers from 401(a), 401(k), 403(b), 457 and IRA plans, when allowed by IRS regulations, and installment payment arrangements as provided under OAC 715:10-5-35. Payments may be a combination of any of the available payment methods. (Also see OAC 715:10-5-32. Roll-overs from other qualified plans or conduit IRAs.)

(e) Any payment balance(s) required for a member to qualify for the EESIP formula must be completed at least ninety (90) days before the member's retirement date.
(f) TRS staff will calculate each member's contribution deficit for any year(s) based on payroll records as reported by the employing school. When existing payroll records are not sufficient to accurately determine the member's contribution deficit, TRS has the right to request additional information from the member and/or the employing school. If additional records are required, it is the member's responsibility to obtain or cause records to be forwarded to TRS from the employing school.
(g) If a member retires on or after July 1, 2006, and before June 30, 2007, the member will be required to pay 50% of the total contribution deficit balance.
(h) If a member retires on or after July 1, 2007, and before June 30, 2008, the member will be required to pay 75% of the total contribution deficit balance.
(i) If the member retires on or after July 1, 2008, the member will be required to pay 100% of the total contribution deficit balance.
(j) TRS will accept EESIP contribution deficit payment(s) from the member at any time prior to the member's retirement. However, if at retirement it is determined that an additional balance is due, the member will be required to make the additional payment, including interest, before his or her first retirement benefit payment is due. If it is determined the member has paid more than the required balance, any difference will be refunded to the member, but no interest will be paid by TRS on the deposits, regardless of the length of time such deposits have been held by the Teachers' Retirement System.

[**Source:** Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07; Amended at 33 Ok Reg 1105, eff 8-25-16]

715:10-5-5. Oklahoma service performed prior to July 1, 1943 [REVOKED]

[**Source:** Revoked at 19 Ok Reg 2729, eff 7-11-02]

715:10-5-6. Verification of Oklahoma service before membership

All requests for previous or prior Oklahoma service must be properly documented. Verification of such service is the responsibility of the member. Teachers' Retirement System "Verification of Oklahoma Service" form must be completed by the current superintendent, business manager, secretary of the school board or treasurer of the school board of the school where the service was performed.

(1) An application for past Oklahoma service must be accompanied by documentation consisting of one of the following:

(A) Actual Payroll Registers - which must show names of employer/employee; employee's Social Security Number; and monthly salary.

(B) A Social Security Detailed Earnings Information Record - which must include employer and salary by calendar year.

(C) W-2 Tax Records - Actual copies for each calendar year needed or photocopies of state income tax returns.

(2) Teachers' Retirement System will review and consider other supporting documentation in conjunction or in lieu of the above. The executive director will rule on the acceptability of all documents presented by members or employing schools in determining credit for past service.

(3) Under no circumstance will TRS accept affidavits from school officials, co-workers or third parties to attest service performed by a member.

[**Source:** Amended at 28 Ok Reg 981, eff 5-26-11]

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

A member of the Teachers' Retirement System of Oklahoma 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 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 Teachers' Retirement System.

(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.

[**Source:** Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 37 Ok Reg 2249, eff 9-11-20]

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 may receive credit for those years of service accumulated by the member while a member of the Oklahoma Public Employees Retirement System, provided he or she 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 at the time application is made.

(b) A member of the Oklahoma Public Employees Retirement System who becomes a member of the Teachers' Retirement System of Oklahoma 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 credit for years of service accumulated in the Oklahoma Public Employees Retirement System.

(c) The member must file a notice with the Oklahoma Public Employees Retirement System and the Teachers' Retirement System of his or her 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 required by either retirement system to locate and evaluate the member's service credit. Qualifying service accumulated as a member of the Oklahoma Public Employees Retirement System shall be accepted as service credit in the Teachers' Retirement System, subject to any statutory limitations, 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, within thirty (30) days of receipt of notification 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. Upon completion of said determination, the Teachers' Retirement System shall notify the member and the Oklahoma Public Employees Retirement System of the cost to transfer service. If the cost to the Teachers' Retirement System 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, the employee, 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. Such an election shall be made in writing, filed with the System prior to receiving the credit provided for in this section, and shall be irrevocable.

(e) Upon receipt of all monies transferred by the Oklahoma Public Employees Retirement System, the Teachers' Retirement System 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 within sixty (60) days of notification by Teachers' Retirement unless the member elects monthly installments and pays the balance due in accordance with OAC 715:10-5-4.

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

(g) Notwithstanding the provisions of subsection (f) 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 shall return to the Oklahoma Public Employees Retirement System any monies transferred for the canceled service.
(h) Years of service transferred pursuant to this rule shall be used in determining the member's retirement benefit. Participating service, as defined by the Oklahoma Public Employees Retirement System, shall be credited to the member's account for purposes of vesting his or her account under OAC 715:10-7-1. A member who joined the Teachers' Retirement System on or after July 1, 1992, and transfers service credit for employment performed as a member of the Oklahoma Public Employees Retirement System 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, and the member's eligibility for retirement shall be determined as if the member had been a member of the Teachers' Retirement System from the date of such service.

[**Source:** Added at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3523, eff 8-26-96; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02]

715:10-5-7.2. Transfer of service credit to the Oklahoma Public Employees Retirement System

(a) Any member of the Teachers' Retirement System, who is an active member of the Oklahoma Public Employees Retirement System, may file a notice of election to transfer credit for those years of service accumulated by the member while a member of the Teachers' Retirement System.
(b) A member of the Teachers' Retirement System whose last qualifying employment was with 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 Oklahoma Public Employees Retirement System credit for years of service accumulated in the Teachers' Retirement System.
(c) The member must file a notice with the Teachers' Retirement System and the Oklahoma Public Employees Retirement System of 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 required by either retirement system to locate and evaluate the member's service credit.
(d) Within thirty (30) days of receipt of notification of the member's intent to transfer service to the Oklahoma Public Employees Retirement System, the Teachers' Retirement System shall:

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

(2) if the member has a vested account with the Teachers' Retirement System, calculate the present value of the service to be transferred, discounted according to the member's age at the time of transfer.

(e) For purposes of this section, employer contributions apportioned to each member for each fiscal year shall be determined as a percentage of revenue received from the tax on natural gas and

contributions from local employers required by 70 O.S. 17-108.1 divided by the annual payroll of active members of the Teachers' Retirement System. Total revenue from the tax on natural gas and local employers shall be apportioned to active members as a percentage of the actuarial present value of future benefits for active members divided by the actuarial present value future benefits for all members of the Teachers' Retirement System. The Board of Trustees shall approve a separate schedule using this computation for each fiscal year.

(f) The computation defined in paragraph (2) of subsection (d) of this section shall assume an unreduced benefit and be computed using interest and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation but shall not make any projections regarding future salary.

(g) Upon completion of the computation(s) defined in subsection (d) of this section, the Teachers' Retirement System shall notify the member and the Oklahoma Public Employees Retirement System of the amount to be transferred. Except as provided in subsection (b) of this section, said amount shall be the greater of the product of paragraphs (1) and (2) of subsection (d) of this section. For those members included in subsection (b) of this section, the Teachers' Retirement System shall transfer to the Oklahoma Public Employees Retirement System is amount as calculated in paragraph (d)(1) of this rule.

(h) Upon notification from the Oklahoma Public Employees Retirement System that the requirements of the transfer have been completed, the Teachers' Retirement System shall, within sixty (60) days, remit to the Oklahoma Public Employees Retirement System the lesser of the amount calculated under subsection (f) of this section, or the amount certified by the Oklahoma Public Employees Retirement System that is necessary to effect said transfer.

(i) A former member of the Teachers' Retirement System may redeposit any previously withdrawn account for the purpose of transferring the former member's service credit to the Oklahoma Public Employees Retirement System. The former member shall remit to the Teachers' Retirement System the amount of accumulated contributions the member has withdrawn plus simple interest of ten percent (10%) per annum prior to making the election. The deposits made by the former member will reestablish his or her account in the Teachers' Retirement System and that amount will become part of the amount to be transferred as determined in subsection (d) of this section. If the election is deemed invalid and the transfer is canceled, the accumulated contributions plus interested remitted to the Teachers' Retirement System shall be returned to the member. No additional interest will be paid by the Teachers' Retirement System in such cases.

(j) All service credit accumulated by the member in the Teachers' Retirement System shall be canceled upon the transfer of any service credit. The member shall forfeit all rights to retirement benefits or service credits in the Teachers' Retirement System, and shall be considered to have withdrawn from the Teachers' Retirement System.

(k) If for any reason the member fails to satisfy the requirements of this transfer, the election to transfer service credit shall be void and of no effect, and the Oklahoma Public Employees Retirement System shall return all monies previously remitted in the member's behalf. The member's account in the Teachers' Retirement System will be reestablished at the same level as before the transfer was initiated.

[**Source:** Added at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02]

715:10-5-7.3. Service credit transfers for TRS members who are CLEET-certified employees of the University of Oklahoma and Oklahoma State University

The statutory authority for this service credit transfer is outlined in Title 47, Oklahoma Statutes, Section 2-314 [47 O.S. 2-314].

[**Source:** Added at 19 Ok Reg 2729, eff 7-11-02; Amended at 29 Ok Reg 859, eff 8-1-12]

715:10-5-8. Revocation of $7,800 waiver

Any member who elected to contribute on $7,800 prior to January 1, 1978, whose salary was more than $7,800 during the school years 1974-75 through 1978-79, may elect to make back contributions on the difference between $7,800 and the member's actual salary, not to exceed $10,000 for each applicable school year, plus interest compounded annually at ten percent (10%) per annum. Such payment shall be made prior to the official retirement date of the member.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93]

715:10-5-9. Re-establishing withdrawn service

After returning to employment in the public schools of Oklahoma a member may redeposit a withdrawn account to re-establish service previously withdrawn from the system. For purposes of this section the following shall apply:

(1) A "classified" and "non-classified" member (except as noted in paragraph 2 of this section) who has returned to public education employment and has established one full year (twelve calendar months) of creditable Oklahoma service, is eligible to redeposit withdrawn contributions. A redeposit of withdrawn contributions must include all applicable interest, which shall be computed at a simple interest rate of ten percent (10%) per annum from the date of the withdrawal to the date repayment is made.

(2) Non-classified members who voluntarily withdrew from membership in TRS, between July 1, 1984 and June 30, 1990, without terminating employment in the public schools of Oklahoma, are not eligible to redeposit or purchase past service for any period of employment between the date of the membership period covered by the withdrawn account and the date of return to membership in TRS.

(3) Non-classified members who voluntarily cease monthly contributions to TRS while continuing to be employed in an eligible position shall be considered to have withdrawn from membership.

(4) Requests for redeposits should be made to TRS in writing. The request must include the name in which the service was rendered, the TRS Member ID number or Social Security number, and the number of years withdrawn.

(5) Documentation of this service is on file with TRS and will be verified by the staff. Service that cannot be verified must be purchased under the rule for establishing service prior to membership.

(6) Repayments of withdrawn accounts may be made by active contributing members of TRS in a single lump sum, which includes the withdrawn contributions and all applicable interest, or in installment payments. Such installment payments may be paid in 12-month increments, but shall be completed within 60 months. The member shall be responsible for maintaining the payment schedule. Payments are due on the first day of each month. A monthly installment not paid within sixty (60) days of the due date will result in termination of the installment payment schedule. The member will be given the option of paying the remaining balance within six (6) months. If the balance is not paid in full in the remaining six (6) month period, the redeposit will be canceled. Installment payments shall include interest based upon actuarial assumptions adopted by the TRS Board of Trustees. Such installment payments shall be completed before the member's effective retirement date. No proration is allowed for partial payments. If payments terminate prior to completion of the installment agreement, the amount paid by the member shall be refunded without interest.

(7) Redepositing of withdrawn accounts must be completed, and payment made to TRS, ninety (90) days prior to the effective date of a member's official retirement date.

(8) No person may make a redeposit to a member's account after the death of the member.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[2]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 29 Ok Reg 860, eff 8-1-12; Amended at 33 Ok Reg 1106, eff 8-25-16; Amended at 36 Ok Reg 1257, eff 8-11-19]

715:10-5-10. Military service credit

An active contributing member of TRS may purchase credit for active duty service in the Armed Forces of the United States of America. The member must have received an honorable discharge from the Armed Services to qualify for military service credit. Active duty is defined as that time a member served in the Armed Forces of the United States of America from the date inducted to the date of separation. (Time spent between enlistment and induction, or other time spent as a civilian between military service periods, will not be counted as military service.) Credit for military service shall not exceed the number of years obtained when the total months of service are applied to calendar years (January 1 to December 31 periods). Therefore, thirty-six (36) months of military service cannot count for more than three (3) years of TRS membership; forty-eight (48) months cannot count for more than four (4) years; etc.

715:10-5-11. Military service limited to maximum of five years

Credit for military service may be purchased and is limited to a maximum of five (5) years. This includes service both before and after July 1, 1943. No credit may be given for any year of military duty which duplicates any other credit already granted or in which a year of creditable service is available for service in the public schools of Oklahoma. The member must have two (2) years of creditable Oklahoma service after the years of military service credit for each year to be purchased. Out-of-state service credit cannot be counted as employment in obtaining military service credit. The purchase of military service must be completed, and payment made to TRS, no later than 90 days prior to the effect date of a member’s official retirement date.

[**Source:** Revoked at 29 Ok Reg 860, eff 8-1-12; Added at Ok Reg 1106, eff 8-25-16]

715:10-5-12. Military service performed prior to July 1, 1943 [REVOKED]

[**Source:** Revoked at 19 Ok Reg 2729, eff 7-11-02]

715:10-5-13. Military service performed after July 1, 1943

Military service performed after July 1, 1943, may be purchased for any school year in which the member served on active duty for a minimum of six (6) months or 180 days, whichever affords the maximum benefit to the member. Time spent as a reservist at summer camps, or weekend-duty obligations, shall not be counted.

[**Source:** Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95]

715:10-5-14. Military service combined with Oklahoma service

Active duty service after July 1, 1943 can be combined with Oklahoma service performed in the same school year to obtain one year of service. The combined service must total one hundred eighty (180) days. If the Oklahoma service to be combined with military service was not as an active

contributing member of TRS, the member must have worked a minimum of ninety (90) school days in Oklahoma public schools. Any military service combined with Oklahoma service counts as one (1) year toward the maximum service allowed for military service credit.

715:10-5-15. Application for military service credit

Members desiring to obtain credit for military service credit should request in writing to be billed for the cost of the credit. Included with the request should be a certified copy of the member's service record showing the dates and nature of the member's active military duty [Form DD-214, Form DD-217 or VA Certification of Active Duty]. TRS may require the member to provide such other evidence as may be required to establish the member's eligibility for military service. When the system determines the duty eligible for credit, it shall bill the member for the years of eligible credit. If the member becomes eligible for additional credit after the billing by TRS it shall be the responsibility of the member to request a second billing. Payment must be made by the date shown on the billing statement to avoid additional charges that may be required after the expiration of the billing date.

[**Source:** Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 36 Ok Reg 1258, eff 8-11-19]

715:10-5-16. Cost to purchase military service

(a) The purchase price for each year of military service defined in OAC 715:10-5-13 shall be based on the actuarial cost as defined in OAC 715:10-5-4, except as provided in paragraph (b) of this rule. All payments for such service must be made while an active contributing member of TRS, or within sixty (60) days of termination of employment in the public schools of Oklahoma, but must be completed prior to the effective date of retirement. No person may purchase military service credit after the date of death of the member.

(b) In the event an active contributing member is called to active military duty, he or she shall be allowed to make contributions for benefits and service credits with respect to "qualified military service", in accordance with Section 414(u) of the Internal Revenue Code of 1986 and the Uniformed Services Employment and Re-employment Rights Act of 1994.

[**Source:** Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00]

715:10-5-17. Adjustment for military service after retirement

All credit for active military duty performed after July 1, 1943, must be purchased prior to the official retirement date of the member. No credit or adjustment will be made to a member's account after retirement unless evidence points to a clear and convincing error on the part of TRS staff. The Executive Director will rule on the circumstances when such cases arise. Credit for active military duty will be accepted for eligible service prior to July 1, 1943, when evidence of such service is provided to TRS. An adjustment in the monthly retirement benefits of the member will be made beginning with the next check due if proper documentation is received by TRS by the 15th of the month. The adjustment in benefits shall not be retroactive.

[**Source:** Amended at 28 Ok Reg 981, eff 5-26-11]

715:10-5-18. Other restrictions on military service

Military service performed after the last year of Oklahoma membership service shall not qualify as military service. A member who returns to Oklahoma public education employment after

serving in the military shall purchase that military service in the same manner as a new member of TRS: i.e., the member must have two (2) years of Oklahoma service after the military service for each year of military service purchased. No military service can be used to meet the minimum requirement of five (5) full years of employment in the public schools of Oklahoma to qualify for vesting and retirement benefits.

[**Source:** Amended at 22 Ok Reg 2255, eff 6-25-05]

715:10-5-19. Out-of-state service credit

An active, contributing member of TRS may obtain out-of-state service credit for qualified employment in public educational institutions outside the State of Oklahoma which are maintained in whole or in part by one of the states of the United States of America, the territories of the United States of America, or by a Military Dependent School operating under the Department of Defense of the United States of America, or while in the Peace Corps, providing he or she is not receiving and is not eligible to receive retirement credit or benefits from said service in any other public retirement system of this state, or any other state or territory of the United States. Qualifying employment requirements shall be the same as in the public schools of Oklahoma. Employment service deemed ineligible for membership service in Oklahoma shall not qualify for out-of-state service credit under any conditions. Time of employment and salary requirements for service credit for out-of-state shall be the same as membership service and prior service credit in Oklahoma (see subchapter 3 of this chapter). The member's out-of-state service must have been covered by and credited in the employing state's public retirement system to be eligible for service credit in TRS.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 19 Ok Reg 2729, eff 7-11-02]

715:10-5-20. Out-of-state service performed prior to July 1, 1943 [REVOKED]

[**Source:** Revoked at 19 Ok Reg 2729, eff 7-11-02]

715:10-5-21. Out-of-state service performed after July 1, 1943

Qualifying out-of-state service credit performed after July 1, 1943 may be purchased by any member of TRS where the member was employed as a full-time employee for a minimum of six (6) months or more during any one (1) school year, subject to the restrictions in OAC 715:10-5-19.

715:10-5-22. Out-of-state service limited to maximum of five years

Credit for out-of-state service is limited to a maximum of five (5) years. This includes credit for service both before and after July 1, 1943. No credit may be given for any year of out-of-state service which duplicates any other credit already granted or in which a year of creditable service is available for service in the public schools of Oklahoma. The member must have two (2) years of creditable Oklahoma service after each year of out-of-state service purchased. Military service credit cannot count as employment in obtaining credit for out-of-state service credit.

715:10-5-23. Out-of-state service combined with Oklahoma service

Qualifying out-of-state service after July 1, 1943 can be combined with Oklahoma service performed in the same school year to obtain one year of service. The combined service must total one hundred twenty (120) days of employment, excluding preschool conference, holidays or other days

when the member was not required to report to work. If the Oklahoma service to be combined with out-of-state service was not as an active contributing member of TRS, the member must have worked a minimum of ninety (90) days in Oklahoma public schools. Under no condition may out-of-state service performed in one school year be combined with Oklahoma service in a different school year. Any service combined with Oklahoma service counts as one (1) year toward the maximum service allowed for out-of-state service credit.

715:10-5-24. Continuous, consecutive out-of-state service

Continuous consecutive out-of-state service performed in two (2) school years may be combined to receive a year of out-of-state service credit. Continuous consecutive service shall mean service performed as a full-time employee of a public school of another state without any break in employment between one school year and the next. A member employed the second semester of one school year and the first semester of the next school year may qualify for one (1) year of out-of-state credit. Under no condition shall a member receive more credit for out-of-state service than the member would have accrued had the service been performed in the public schools of Oklahoma.

715:10-5-25. Application for out-of-state service credit

Members desiring to obtain credit for out-of-state service credit should submit to TRS a Verification of Out-of-State Service form. Included with the verification should be a list of all employment in the public schools of other states. Verification forms must be completed by the state retirement system for the employing state. TRS may require the member to provide such other evidence as may be required to establish the member's eligibility for out-of-state service. When the system determines the service eligible for credit, it shall bill the member for the years of eligible credit. If the member becomes eligible for additional credit after the billing by TRS it shall be the responsibility of the member to request a second billing. Payment must be made by the date shown on the billing statement to avoid additional charges that may be required after the expiration of the billing date.

[**Source:** Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 36 Ok Reg 1258, eff 8-11-19]

715:10-5-26. Cost to purchase out-of-state service

The purchase price for each year of out-of-state service defined in OAC 715:10-5-21 shall be based on the actuarial cost as defined in OAC 715:10-5-4. All payments for such service must be made while an active contributing member of TRS, or within sixty (60) days of termination of employment in the public schools of Oklahoma, but must be completed prior to the effective date of retirement. No person may purchase out-of-state service credit after the date of death of the member.

[**Source:** Amended at 15 Ok Reg 48, eff 9-4-97 (emergency); Amended at 15 Ok Reg 3481, eff 7-15-98]

715:10-5-27. Other restrictions on out-of-state service

Out-of-state service performed after the last year of Oklahoma membership service shall not qualify as out-of-state credit. A member who returns to Oklahoma public education employment after working out-of-state shall purchase that out-of-state service in the same manner as a new member of TRS: i.e., the member must have two (2) years of Oklahoma service after the out-of-state service for each year of out-of-state service purchased. No out-of-state service or salaries shall be utilized for the calculation of a member's final average salary at retirement. No out-of-state service can be used to

meet the minimum requirement of five (5) full years of employment in the public schools of Oklahoma to qualify for vesting and retirement benefits.

[**Source:** Amended at 22 Ok Reg 2255, eff 6-25-05]

715:10-5-28. Sick leave service credit

A member who has unused sick leave days at retirement may receive up to one (1) additional year of service credit. The additional service credit for sick leave days shall be equal to the number of unused sick leave days divided by one hundred twenty (120) days. Such service shall be added to other service credit earned while employed by the public schools of Oklahoma. It is the responsibility of the member to obtain verification of sick leave from the employing school prior to the member's official retirement date. No adjustment in retirement benefits shall be made for sick leave documented after the member's retirement date. Sick leave cannot be combined with out-of-state, military service or any non-public Oklahoma school employment to obtain additional credit toward retirement. Service credit obtained by unused sick leave may be used in qualifying for retirement benefits under the "Combination of 80," "Combination of 90," and “Rule of 90/Minimum 60.” For any member who joined TRS prior to July 1, 1995, the year of credit received for sick leave shall be treated as service earned prior to July 1, 1995. Unused sick leave may not be used to vest an account or to meet the minimum requirement of five (5) years of employment in the public schools of Oklahoma to qualify for retirement benefits. Sick leave accumulated while employed by any employer other than a public school as defined by 70 O.S. 17-101 shall not be counted for purposes of obtaining additional retirement credit under this rule.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 29 Ok Reg 860, eff 8-1-12]

715:10-5-29. Verification of accumulated sick leave

Sick leave can only be verified on termination of employment, or when filing a retirement contract. The verification must be made by the superintendent, financial officer, clerk of the board of education, or treasurer of the school district who must attest to the accuracy of the records used to make the verification. The verification must be based on records maintained and available at the local school and must be in keeping with local board policy. TRS will accept the employer's sick leave policy of awarding sick leave, however, in no instance will TRS accept more than fifteen (15) days of unused accumulated sick leave for any one (1) school year. An employer may not grant additional sick leave for the purpose of establishing, or adding to, the member's total service credit. Sick leave donated by other employees cannot be added to a member's sick leave record for purposes of this rule. The System may require the employing school to make available to it such other evidence as may be required to establish the member's eligibility for sick leave credit. Unused sick leave can be accumulated from the date of employment in the public schools of Oklahoma, or August 1, 1959, whichever occurred last, to the date of termination of employment in the public schools of Oklahoma. Reimbursements received by a member for unused sick leave accumulated prior to retirement shall not be considered as "regular annual compensation" as defined in OAC 715:10-13-1 and not subject to TRS contributions as provided for in Subchapter 13 of this chapter. (NOTE: Employers are encouraged to establish a system of tracking total days earned and used, even when the total days credited exceed the maximum limit set for local policy.)

[**Source:** Amended at 19 Ok Reg 2729, eff 7-11-02]

715:10-5-30. Ten-year 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 employment. The number of days absent each year during the last ten (10) years shall be averaged to determine the average number of sick leave days used each year. The average sick leave used will be subtracted from a standard ten (10) days per school year and the difference multiplied by the total years of creditable Oklahoma membership service.

715:10-5-31. Documentation of service

TRS reserves the right to require documentation of all service years credited to a member's account.

(1) Members who are claiming eligible service after the school year in which it was actually rendered must verify the claim on the appropriate Teachers' Retirement System form. The specific documentation required will depend on the type of service being purchased. Under no circumstances will affidavits be accepted as documentation.

(2) The ultimate responsibility for obtaining verification of service is that of the member.

(3) The correctness of the service must be certified on the appropriate form by an official of the school where the service was rendered. This can be done by the superintendent, business manager, secretary of the school board, or treasurer of the school board at the time the certification is made. The certification must be based upon existing records maintained by the school and certified copies of these records must be attached to the application.

(4) TRS will also accept federal or state tax records, or Detailed Earnings Information records from the Social Security Administration, as supporting documentation of employment where records cannot be obtained from the employing school, or where the records available are not deemed to be conclusive.

(5) No credit may be granted unless clear and convincing proof of eligible service has been provided from a source other than the applicant member. A conclusion that clear and convincing proof has not been provided should in no way be construed as a challenge to the member's or any other affidavit's truthfulness and integrity.

(6) The executive director of TRS shall be empowered to determine the completeness of documents submitted by a member in establishing service credit.

[**Source:** Amended at 28 Ok Reg 981, eff 5-26-11]

715:10-5-32. Roll-overs from other qualified plans or conduit IRAs

Credit for past service, including redeposits of withdrawn Oklahoma service, defined in this subchapter, contribution deficit payments provided for by 70 O.S. § 17-116.2C or balances due as authorized under 70 O.S. § 17-116.2, may be purchased with roll-overs from another retirement plan if allowed by the Internal Revenue Code. This includes "conduit IRAs" which have been established with funds received from a 401(a) plan distribution for the purpose of holding the funds separate until a rollover can be consummated, traditional IRAs, 403(b) tax-deferred annuity plans, 401(k) and 457 deferred compensation plans. For a roll-over payment to be accepted by Teachers' Retirement the following conditions must be met:

(1) The member should contact Teachers' Retirement to obtain a billing statement for the service to be purchased and convey the intent to make total or partial payment by a roll-over.

(2) The member must obtain written documentation from the originating institution verifying the amount of the distribution and that the monies came from a qualified plan under the Internal Revenue Code.

(3) The roll-over check from the qualified plan must be made payable to the Oklahoma Teachers' Retirement System, For Benefit Of and the member's name. The member must deliver the check to Teachers' Retirement with the required documentation and the billing statement for the service to be purchased. Teachers' Retirement will only accept payment for the amount of the billing statement. If the distribution from the originating institution is greater than the billing, the originating institution must be willing to generate a check payable to Teachers' Retirement for the exact amount of the billing statement. If the distribution from the originating institution is less than the billing, a personal check or cashier's check must accompany the roll-over proceeds, or the member may pay the balance through an installment payment plan. Payments in excess of the billing will not be accepted.
(4) A receipt for the payment will be issued after Teachers' Retirement has determined all documentation and the appropriate amount of funds have been received.
(5) Roll-overs must comply fully with the Internal Revenue Code and applicable Internal Revenue Service regulations.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 20 Ok Reg 382, eff 10-16-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07]

715:10-5-33. Credit for family leave [REVOKED]

[**Source:** Added at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Added at 16 Ok Reg 3567, eff 9-13-99; Revoked at 29 Ok Reg 861, eff 8-1-12]

715:10-5-34. Credit for adjunct service

(a) A Teachers' Retirement System member who was employed in an adjunct position in an institution under The Oklahoma State System of Higher Education before joining the Retirement System may purchase service credit for that employment.
(b) The member may purchase one year of service credit for each school year in which he or she worked a minimum of eighteen (18) credit hours in such an adjunct position, up to a maximum five (5) years. Such purchased service credit shall be considered contributing service for vesting and retirement.
(c) The purchase price for eligible adjunct service credit shall be based upon actuarial cost as defined in OAC 715:10-5-4. All payments for such service credit must be made while the member is an active contributing member or within sixty (60) days after the end of the member's employment in the public schools in Oklahoma, and must be completed before the member's effective retirement date. No person may purchase service credit for such adjunct employment after the member's death.
(d) The payments for such service credit may be made in one lump sum or in equal monthly installments for up to sixty (60) months, as provided in OAC 715:10-5-4 (9).

[**Source:** Added at 18 Ok Reg 50, eff 10-3-00 (emergency); Added at 18 Ok Reg 3152, eff 7-12-01]

715:10-5-35. Employer pick-up of service credit purchase

(a) The purpose of OAC 715:10-5-35 is to provide a pick-up of employee contributions by participating employers under Section 414(h)(2) of the Internal Revenue Code of 1986 for contributions that are made for the purpose of purchasing service credit or re-establishing withdrawn service under Chapter 10, Subchapter 5 of these Rules, and for contribution deficit payments provided for by 70 O.S. § 17-116.2C or balances due as authorized under 70 O.S. § 17-116.2. Employers may elect to participate in the pick-up of employee contributions made for the purpose of purchasing

service credits or re-establishing withdrawn service by a resolution adopting the provisions of this regulation.

(b) An active member of TRS who elects to purchase or re-establish service credit under any applicable provision of Chapter 10, Subchapter 5 of these Rules, or to make contribution deficit payments provided for by 70 O.S. § 17-116.2C or balances due as authorized under 70 O.S. § 17-116.2 through installments may elect to do so through a binding, irrevocable payroll reduction authorization established by TRS.

(c) An active member of TRS, having executed a binding, irrevocable payroll reduction authorization with respect to any such contributions, shall not be entitled to receive the contributed amounts directly instead of having them paid by the employer to TRS. Such contributions shall be remitted to the TRS and credited to the member in the same manner as all other employee contributions. Such contributions, although designated as employee contributions, will be paid by the employer in lieu of contributions by the employee. The contributions so assumed shall be treated as tax-deferred employer "pick-up" contributions pursuant to the United States Internal Revenue Code Section 414(h)(2), as authorized in a favorable letter ruling by the Internal Revenue Service.

(d) An active member of TRS may elect to pay all or part of any contribution to purchase or re-establish service credit or to make contribution deficit payments provided for by 70 O.S. § 17-116.2C or balances due as authorized under 70 O.S. § 17-116.2 through such payroll reduction. The amount by which an employee's compensation will be reduced and the duration of the reduction shall be specified on the authorization form prescribed by TRS and the amounts and duration shall be irrevocable and binding once made. Prepayment of amounts covered by the authorization is not permitted. However, nothing herein shall prevent a member from paying any amounts not covered by the authorization with after-tax dollars, provided that any such after-tax payments by an employee of a participating employer shall be paid directly by the employee to TRS, as opposed to being paid to or withheld by the participating employer. An employee of non-participating employer may purchase service credit or re-establish withdrawn service by making after-tax payments directly to TRS.

(e) No such payroll reduction shall begin unless and until the member executes the payroll reduction authorization described below on a form prescribed by TRS and delivers the form to the treasurer or other disbursing officer of the participating employer. After receiving the binding, irrevocable payroll reduction authorization, the treasurer or other disbursing officer of each participating employer shall reduce the member's regular annual compensation by the authorized amount and remit these contributions to TRS, in addition to (but separate from) the mandatory contributions from the member's regular annual compensation pursuant to 70 O.S., §17-116.2 and OAC 715:10-13-3. The participating employer shall continue to make such reductions for the number of months specified on the form and shall treat these reductions as picked-up contributions.

(f) All such payroll reductions, including the amounts and the duration specified, shall be binding and irrevocable upon the member's execution of the prescribed form.

(g) Notwithstanding the above, such reductions will cease only after the authorization has expired by its terms or upon any of the following events:

(1) The member's death. In the event of a member's death, the designated beneficiary shall have the option of paying the remaining amount owed (using after-tax dollars) within six (6) months of the member's death. If the balance is not paid, the beneficiary shall be entitled to prorated credit for that portion of the additional contributions actually made for service purchases prior to the member's death. If there is any remaining amount owed with respect to a redeposit of contributions, the designated beneficiary will be reimbursed for those redeposits which had already been paid at the time of the member's death. A beneficiary may not make payments for a purchase of service credit or a re-deposit of contributions if such a purchase or re-deposit had not been initiated by the member prior to the member's death.

(2) The termination of the member's employment. In this event, the member shall have the right to pay the remaining amount owed (using after-tax dollars) within six (6) months of the member's termination of employment, but payment must be completed one (1) month prior to the effective retirement date of the member. If the member retires and does not pay the entire remaining amount, the member shall be entitled to prorated service credit for those payments actually made for service purchases. If there is any remaining amount owed with respect to a redeposit of contributions, the member shall be reimbursed for those redeposits which had already been paid at the time of the member's termination. In the situation where a terminated member becomes employed by another employer participating in TRS, the member may elect to reinstate or not reinstate his authorization with the new employer.

(3) For purposes of (1) and (2) above, after-tax contributions shall only be received to the extent allowed by section 415 of the Internal Revenue Code.

(h) In no event shall the member receive a return of the payroll reductions made hereunder, except as a refund together with all other contributions, as provided in OAC 715:10-11-1 et seq. or as a refund of a redeposit of contributions as provided in subsection g(2) above.

(i) Payroll reductions and installment agreements hereunder shall last no longer than sixty (60) months.

[**Source:** Added at 19 Ok Reg 95, eff 8-10-01 (emergency); Added at 19 Ok Reg 2729, eff 7-11-02; Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07; Amended at 36 Ok Reg xxx, eff 8-11-19]

715:10-5-36. Compliance with Code Section 401(a)(37) and the HEART Act

(a) Effective with respect to deaths occurring on or after January 1, 2007, while a member is performing qualified military service (as defined in chapter 43 of title 38, United State Code), to the extent required by Internal Revenue Code Section 401(a)(37), survivors of a member in a State or local retirement or pension system, are entitled to any additional benefits that the system would provide if the member had resumed employment and then died, such as accelerated vesting or survivor benefits that are contingent on the member's death while employed.

(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 (while the individual is performing qualified military service (as defined in chapter 43 of title 38, United State Code)) from an employer shall be treated as employed by that employer and the differential wage payment shall be treated as earned compensation, but contributions attributable to such differential wage payments shall not be made unless and until the member returns to active employment and makes up the missed contributions. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

[**Source:** Added at 30 Ok Reg 1476, eff 7-01-13]

715: 10-5-37. Incentive service credit

(a) Pursuant to 70 O.S. §17-116.2B, an active member of TRS who is employed and participating with an entity or institution within The Oklahoma State System of Higher Education may purchase not to exceed two (2) years of incentive credit if:

(1) the member has reached his or her normal retirement date or is within two (2) years of reaching the member's normal retirement date as authorized in Section 17-105 of this title, or

(2) the member is eligible for or is within two (2) years of being eligible for early retirement pursuant to paragraph 1 of subsection A of Section 17-116.2 of this title.

(b) Purchased incentive credit may only be used as participation service to qualify the member for normal or early retirement or as additional participation service if the member is already eligible for normal or early retirement, and in the same period of time and with the same service credit which would have otherwise accrued if the purchase had not occurred.
(c) The member shall notify TRS no later than sixty (60) days after the date of last employment indicating an intent to purchase the incentive credit.
(d) Upon receipt of notice of the member's intent to purchase incentive service credit, TRS shall calculate the purchase price for eligible incentive credit based upon actuarial costs as defined in OAC 715: 10-5-4 (subparagraphs 1-5) and notify the member, in writing, of the cost to purchase the credit.
(e) The member must make payment to TRS of the cost to purchase the credit. Full or partial payments made pursuant to this section shall not be refundable under any circumstances.
(f) Complete payment for such service must be made ninety (90) days prior to the member's effective retirement date.
(g) A member cannot purchase both credit for termination due to reduction in force and incentive credit.

[**Source:** Added at 36 Ok Reg 1259, eff 8-11-19]

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Subchapter 7 - Membership Vesting and Termination

715:10-7-1. Vesting of membership in TRS
715:10-7-2. Limitation of benefits to an inactive, vested member
715:10-7-3. Termination because of absence
715:10-7-4. Extension of TRS membership after absence
715:10-7-5. Retired members
715:10-7-6. Termination of a non-eligible person

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

Members who have accumulated five (5) or more years of creditable service 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(6) or OAC 715:10-7-3, shall be granted an indefinite extension of membership in TRS. Such membership is vested and shall remain open until the member retires or the contributions are voluntarily withdrawn. Military and out-of-state service shall not be included in the five (5) years required for vesting. Any year of service obtained by the use of accumulated unused sick leave cannot 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. For members who join after July 1, 1991, Oklahoma service purchased after membership will not be counted for "vesting" purposes.

[**Source:** Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[1]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 33 Ok Reg 1106, eff 8-25-16; Amended at 34 Ok Reg 792 eff 7-28-17 through 09-14-18 (emergency); Amended at 35 Ok Reg 2121 eff 9-14-18]

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) The purchase of any additional past service credits.

(5) Insurance coverage from the State and Education Employees Group Health Insurance 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 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, for non-vested members; (i.e., for members who have less than five (5) years of contributory employment in the public schools of Oklahoma).

(2) 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) 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 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) 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.

[**Source:** Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[1]; Amended at 21 Ok Reg 3099, eff 8-12-04]

715:10-7-4. Extension of TRS membership after absence

A member with less than five (5) years of creditable Oklahoma membership service, who has been absent from such 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 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.

[**Source:** Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[1]; Amended at 21 Ok Reg 3099, eff 8-12-04]

715:10-7-5. Retired members

A retired member receiving a service retirement annuity may not be reinstated to active membership, which was terminated as a result of retirement, nor receive credit for additional membership service, except as provided in OAC 715:10-17-13. Disability retirement may be reinstated under certain conditions (see OAC 715:10-15-21).

[**Source:** Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00]

715:10-7-6. Termination of a non-eligible person

A member who is employed by a public education entity, in a position which is not eligible for membership must terminate membership. All contributions remitted for a non-eligible person will be refunded with no interest. If an eligible member's employment is changed to a status that no longer qualifies for membership in TRS, the member's account will be terminated in the same manner as if the member has withdrawn from employment in the public schools of Oklahoma.

[**Source:** Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 29 Ok Reg 861, eff 8-1-12]

Subchapter 9 - Survivor Benefits

715:10-9-1. Return of contributions when death occurs before retirement
715:10-9-2. Death benefit when death occurs before retirement
715:10-9-3. Monthly annuity in lieu of death benefit
715:10-9-4. Death Benefit when death occurs after retirement [REVOKED]
715:10-9-5. Payments to beneficiaries of deceased members
715:10-9-6. Probate Waivers
715:10-9-7. Beneficiary designation following a divorce
715:10-9-8 Beneficiary designation for death benefit

715:10-9-1. Return of contributions when death occurs before retirement

Upon the death of a member, who has not retired, the designated beneficiary on file with TRS prior to the member's death, or estate (if there is no designated beneficiary, or if the designated beneficiary predeceases the member) shall receive the member's total contributions, plus one hundred percent (100%) of all interest earned through the end of the fiscal year. Interest shall cease to accumulate with the payment of any portion of the member's contributions and interest to any beneficiary. Interest on death claims shall bear a rate equivalent to that of the actuarially assumed rate of return for the System as determined by the Board of Trustees from time to time, calculated according to the following schedule:

(1) July 1, 1968, through June 30, 1977, four and one-half percent (4 1/2%), compounded annually.

(2) July 1, 1977, through June 30, 1981, seven percent (7), compounded annually.

(3) July 1, 1981, through June 30, 2019, eight percent (8%), compounded annually.

(4) July 1, 2019 to present, through June 30, 2020, seven and one-half percent (71/2%), compounded annually.

(5) July 1, 2020 to present (until changed by the Board of Trustees), seven percent (7%), compounded annually. See OAC 715:10-9-7, if the member and beneficiary were divorced before death.

[**Source:** Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 36 Ok Reg 1260, eff 8-11-19; Amended at 38 Ok Reg 1582, eff 08-26-21]

715:10-9-2. Death benefit when death occurs before retirement

(a) A death benefit of $18,000 shall be paid by TRS to the designated beneficiary upon the death of an in-service member. If there is no designated beneficiary, or if the designated beneficiary predeceases the member, the member's estate shall receive the death benefit.

(b) "In-service" membership shall include:

(1) Employees in an active-member status within the Oklahoma public education system at the time of death.

(2) Members who have been, or would have been rehired, automatically or otherwise, for the next school year when death occurs during the summer break.

(3) Members on sick leave, for up to one (1) full year, who would be returned to employment by the employer upon satisfactory recovery.

(c) "In-service" membership shall not include:

(1) Employees who are not eligible for TRS membership.

(2) Any member in an in-active employment status except as noted above in paragraph (b).

(3) Any member who resigned as an employee of the public schools of Oklahoma.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 22 Ok Reg 2255, eff 6-25-05; Revoked at 29 Ok Reg 861, eff 8-1-12; Added at 36 Ok Reg 1260, eff 8-11-19]

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

The designated beneficiary of an in-service member, who qualified for service retirement, 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. To qualify for this option, the designated beneficiary must have been named as the primary beneficiary at the time of the member's death (see OAC 715:10-15-1 and 10-15-2). This option is only available when the member has designated one individual as the designated beneficiary,

and the beneficiary is the member's spouse, another person, or the beneficiary of a Discretionary and Special Needs Trust. 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].

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 29 Ok Reg 861, eff 8-1-12; Amended at 37 Ok Reg 2249, eff 9-11-20]

715:10-9-4. Death Benefit when death occurs after retirement [REVOKED]

[**Source:** Amended at 12 Ok Reg 841, eff 1-5-95 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 15 Ok Reg 48, eff 9-4-97 (emergency); Amended at 15 Ok Reg 3481, eff 7-15-98; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Revoked at 29 Ok Reg 861, eff 8-1-12]

715:10-9-5. Payments to beneficiaries of deceased members

Death benefit payments will be made by TRS to the beneficiary(s) of each deceased member as expeditiously as possible. The following documents must be provided to TRS before payment can be made.

(1) The designated beneficiary(s) must provide a certified copy of the death certificate and complete a Claimant's Affidavit Form.

(2) When no designated beneficiary has been named or the designated beneficiary(s) predeceases the member, and no waiver is sought, permitted or allowed pursuant to OAC 715:10-9-6, the executor/administrator of the member's estate must provide a certified copy of the death certificate, complete Claimant's Affidavit Form, and provide Letters of Testamentary or other documentation of court appointment.

(3) Payments to minor children named as beneficiaries shall be made in accordance with applicable Oklahoma statutes. However, all such payments shall be distributed in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code and any regulations under that section. [See OAC 715:10-9-7, if the member and beneficiary were divorced before death].

(4) The beneficiary(ies) of the $5,000 or $18,000 death benefit may sign an Irrevocable Assignment of Death Benefit and Qualified Disclaimer to directly transfer all or a portion of the death benefit to a licensed funeral director or facility.

[**Source:** Amended at 11 Ok Reg 4785, eff 9-12-94 (emergency); Amended at 12 Ok Reg 841, eff 1-5-95 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 29 Ok Reg 862, eff 8-1-12]

715:10-9-6. Probate waivers

(a) In the event a member dies, leaving no living beneficiary or having designated his estate as beneficiary, the System shall require the judicial appointment of an administrator or executor for the member'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 presentation of:

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

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

(A) that the value of the deceased member'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 pending with the System.

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

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

[**Source:** Amended at 12 Ok Reg 841, eff 1-15-95 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3523, eff 8-26-96; Amended at 28 Ok Reg 981, eff 5-26-11; Revoked at 29 Ok Reg 862, eff 8-1-12; Added at Ok Reg 1107, eff 8-25-16; Amended at 36 Ok Reg 1260, eff 8-11-19]

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. (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).

[**Source:** Added at 17 Ok Reg 204, eff 9-8-99 (emergency); Added at 17 Ok Reg 3071, eff 7-13-00; Amended at 23 Ok Reg 3073, eff 7-27-06]

715:10-9-8. Beneficiary Designation for Death Benefit

A member may change or update his or her beneficiary designation for the statutory death benefit at any time.

[**Source:** Added at 36 Ok Reg 1260, eff 8-11-19]

Subchapter 11 - Withdrawal From Membership and Refund of Deposits

715:10-11-1. Withdrawal from membership by an eligible person
715:10-11-2. Withdrawal of optional membership while still employed
715:10-11-3. False affidavits
715:10-11-4. Refunds of contributions
715:10-11-5. Termination of rights to benefits
715:10-11-6. Reinstatement of an account
715:10-11-7. Rollovers from TRS to other eligible retirement plans

715:10-11-1. Withdrawal from membership by an eligible person

Any member who terminates employment in the public schools of Oklahoma may voluntarily withdraw from membership in TRS under the following conditions:

(1) 70 O.S. §17-105 provides that members who leave Oklahoma public education employment are eligible to withdraw the contributions made to their TRS account four (4) months after termination. A former employee may submit application for the proceeds of the account after the last day physically worked. There are no exceptions to this waiting period.

(2) Written verification from the school's payroll department of a member's termination of employment and/or non-resumption of teaching contract must be on file before processing the Application for Withdrawal.

(3) The years of membership shall be calculated as follows:

(A) For withdrawal purposes - from the date of the first contribution of the current membership to the date of withdrawal, except that member accounts closed in compliance with OAC 715:10-7-3 will be from the date of the first contribution to the date the account is closed.

(B) For payment of interest purposes - from the date of the first contribution of the current membership to the date of withdrawal, except that member accounts closed in compliance with OAC 715:10-7-3 will be from the date of the first contribution to the date the account is closed.

(4) Interest on withdrawals shall bear a rate equivalent to that of the actuarially assumed rate of return for the System as determined by the Board of Trustees from time to time, calculated according to the following schedule:

(A) July 1, 1968 through June 30, 1977 - four and one-half percent (4 1/2%), compounded annually.

(B) July 1, 1977 through June 30, 1981 - seven percent (7%), compounded annually.

(C) July 1, 1981 through June 30, 2019 - eight percent (8%), compounded annually.

(D) July 1, 2019 to June 30, 2020 – seven and one-half percent (7 1/2%), compounded annually.

(E) July 1, 2020 to present (until changed by the Board of Trustees), seven percent (7%) compounded annually.

(5) Interest payment on withdrawals shall be paid as follows:

(A) If termination occurs within sixteen (16) years from the date membership began, fifty percent (50%) of the total accrued interest shall be paid.

(B) For members with at least sixteen (16) but less than twenty-one (21) years of membership, sixty percent (60%) of the total accrued interest shall be paid.

(C) For members with at least twenty-one (21) years but less than twenty-six (26) years of membership, seventy-five percent (75%) of the total accrued interest shall be paid.

(D) For members with at least twenty-six (26) years of membership, ninety percent (90%) of the total accrued interest shall be paid.

(6) A person whose membership has not terminated due to five (5) years of absence from Oklahoma public education employment, but who has applied to withdraw all accumulated contributions, shall not have membership terminated until the withdrawal payment has been processed.

(7) Effective July 1, 1990, no member is eligible to withdraw contributions made on a pre-tax basis, unless the employee has terminated employment in the public schools for a period of four months.

[**Source:** Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[1]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[2]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 29 Ok Reg 862, eff 8-1-12; Amended at 36 Ok Reg 1261, eff 8-11-19; Amended at 38 Ok Reg 1583, eff 08-26-21]

715:10-11-2. Withdrawal of optional membership while still employed

A non-classified optional member may voluntarily terminate TRS membership while continuing employment in the public schools of Oklahoma, if:

(1) Proper application is made to TRS. Withdrawal may be made no earlier than two (2) months after date of application and no earlier than the receipt by TRS of the final deposit to the member's account.

(2) The financial officer of the employing school certifies the member’s election to stop contributions and the date the member's last contributions will be remitted to TRS.

(3) Any member who withdraws under the conditions listed here may rejoin the Teachers' Retirement System, under the provision of OAC 715:10-1-4(8). A member who terminates membership under this section cannot redeposit contributions withdrawn under this section at a later date, even if the individual returns to membership in TRS. The member will also forfeit any right to purchase service performed from the date of termination of membership under this section and prior to the re-entry date, and will forfeit any unused sick leave accumulated from the date of termination of membership under this section and prior to the re-entry date.

(4) A member's contributions cannot be terminated, by either the member or the employer, without termination of TRS membership. Any member who ceases contributions while still employed in an optional position shall be deemed to have become an ineligible member of TRS, and will have forfeited all rights to retirement benefits provided by TRS for the service prior to the date the member ceased contributions.

(5) An employer may prevent its employees from withdrawing, under this rule, if the employer has a negotiated labor agreement, or formalized IRS plan, prohibiting such terminations and withdrawals.

(6) After-tax contributions can be refunded to an optional member prior to separation from service. Pre-tax contributions cannot be refunded until the member terminates employment or turns 62. Following termination of employment, TRS should be contacted for the proper form to be completed for return of pre-tax contributions. Upon completion of the verification form by the school and the mandatory four-month waiting period, payment of the balance of the account will be made at the same time as regular withdrawals.

[**Source:** Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[1]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 20 Ok Reg 2247, eff 3-5-03 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 28 Ok Reg 981, eff 5-26-11; Amended at 29 Ok Reg 863, eff 8-1-12; Amended at 33 Ok Reg 1107, eff 8-25-16]

715:10-11-3. False affidavits

A member who makes affidavit that he has permanently terminated his employment in state-supported public education in Oklahoma but who is so employed, or who contracts for such employment before he receives the refund of his TRS account, shall not be entitled to the refund. If the refund is made in error because the Teachers' Retirement System is not aware of the continued employment, necessary steps will be taken to secure the redeposit of the withdrawn account with interest compounded annually at ten percent (10%) per annum. No benefits subsequently earned will be paid until this withdrawn account is returned to the Teachers' Retirement System.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93]

715:10-11-4. Refunds of contributions

Refunds for overpayment of annual contributions, ineligible service purchases, and membership service contributions of less than six (6) months shall be made upon request by the employing school.

(1) Refunds to members who are terminating accounts will not be made until the final contributions of the withdrawing member is received and posted to his account. The required application must be completed and on file.

(2) No interest shall be paid on refunds.

(3) Contributions reported by the employer as "pre-tax" contributions will be refunded to the employer.

715:10-11-5. Termination of rights to benefits

Withdrawal of an account terminates the right to benefits for all service prior to the date of withdrawal, unless credit is reinstated by subsequent service and repayment as provided by the statutes.

715:10-11-6. Reinstatement of an account

A member who has withdrawn an account may reinstate the account, and receive credit for the service, by meeting the requirements of OAC 715:10-5-9.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95]

715:10-11-7. Rollovers from TRS to other eligible retirement plans

(a) Notwithstanding any other provision of the administrative code that otherwise would limit a distributee's election to make a direct rollover, a distributee may elect at the time and in the manner prescribed by the Board of Trustees to have all or a portion of an eligible rollover distribution paid directly to another eligible retirement plan as a direct rollover as required under Internal Revenue Code Section 401(a)(31) and the regulations thereto.

(b) The following definitions shall apply for purposes of the words and phrases used in this Section:

(1) An "eligible rollover distribution" includes any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include the following:

(A) any distribution that is one of a series of substantially equal periodic payments, paid not less frequently than annually, made for the life or life expectancy of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated joint annuitant.

(B) any distribution that is one of a series of substantially equal periodic payments for a specified period of ten years or more.

(C) any distribution to the extent such distribution is required under Internal Revenue Code Section 401(1)(9).

(D) the portion of any distribution that is not includable in gross income.

(E) any distributions during a year that are reasonably expected to total less than $200.

(F) Effective January 1, 2002, the definition of eligible rollover distribution also includes a distribution to a surviving spouse, or to a spouse or former spouse who is

an alternate payee under a qualified domestic relations order, as defined in Internal Revenue Code Section 414(p) and OAC 715:10-25-1.

(G) Effective January 1, 2002, a portion of a distribution will not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only

(i) to an individual retirement account or annuity described in Internal Revenue Code Section 408(a) or (b) or to a qualified defined contribution plan described in Internal Revenue Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible;

(ii) on or after January 1, 2007, to a qualified defined benefit plan described in Internal Revenue Code Section 401(a) or to an annuity contract described in Internal Revenue Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or

(H) on or after January 1, 2008, to a Roth IRA described in Internal Revenue Code Section 408A.

(2) An "eligible retirement plan" includes any of the following that accepts the distributee's eligible rollover distribution:

(A) an individual retirement account described in Internal Revenue Code Section 408(a);

(B) an individual retirement annuity described in Internal Revenue Code Sections 408 (b);

(C) an annuity plan described in Internal Revenue Code Section 403(a);

(D) a qualified trust described in Internal Revenue Code Section 401(a);

(E) effective January 1, 2002, an annuity contract described in Internal Revenue Code Section 403(b);

(F) effective January 1, 2002, a plan eligible under Internal Revenue Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state that agrees to separately account for amounts transferred into that plan from the retirement system; or

(G) effective January 1, 2008, a Roth IRA described in Internal Revenue Code Section 408A.

(3) A "distributee" means a member, a member's spouse, or a member's former spouse who is the alternate payee under a qualified domestic order, as defined in Internal Revenue Code Section 414(p) and OAC 715:10-25-1. Before January 1, 2002, in the case of an eligible rollover distribution to the member's spouse, an eligible retirement plan only includes an individual retirement account or an individual retirement annuity described in Internal Revenue Code Sections 408(a) or (b). Effective January 1, 2007, a distributee further includes a nonspouse beneficiary who is a designated beneficiary as defined by Internal Revenue Code Section 401(a)(9)(E). However, a nonspouse beneficiary may rollover the distribution only to an individual retirement account or individual retirement annuity (or, effective January 1, 2008, a Roth IRA) established for the purpose of receiving the distribution, and the account or annuity will be treated as an "inherited" individual retirement account or annuity.

(4) "Direct rollover" means a payment by the plan to the eligible retirement plan specified by the distributee.

(c) Eligible rollover distributions may be paid to not more than two eligible retirement plans, as selected by the distributee, when a direct rollover is elected.

[**Source:** Added at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 26 Ok Reg 318, eff 11-12-08 (emergency); Amended at 26 Ok Reg 2379, eff 6-25-09; Amended at 36 Ok Reg 1261, eff 8-11-19]

Subchapter 13 - Contributions for Membership Service

715:10-13-2.	Contributions required on all compensation
715:10-13-3.	Employee contribution rates
715:10-13-3.1.	Employer contribution rates [REVOKED]
715:10-13-3.2.	Employer contribution rates for employers other than comprehensive and regional four-year universities beginning July 1, 2007 [EXPIRED]
715:10-13-3.3.	Employer contribution rates comprehensive and regional four-year universities beginning July 1, 2007 [EXPIRED]
715:10-13-4.	Maximum compensation level election for years prior to July 1, 1995
715:10-13-4.1.	Maximum compensation level election for the 1995-96 school year [REVOKED]
715:10-13-5.	Compensation corrections
715:10-13-6.	Employee contributions paid by the employer
715:10-13-7.	Matching funds
715:10-13-8.	Procedure for making contribution deductions
715:10-13-9.	Monthly remittance report of contributions [REVOKED]
715:10-13-10.	Annual report of employment
715:10-13-11.	Percentage limits on compensation increases
715:10-13-12.	Contracts bought up by employer
715:10-13-13.	Contributions while receiving payments from Workers' Compensation
715:10-13-14.	Termination credit for state agency employees who are members of the Teachers' Retirement System of Oklahoma
715:10-13-15.	Waiver of employer late fees

715:10-13-1. Regular annual compensation requirements

Each member of the Teachers' Retirement System is required to make contributions to the Retirement Fund. Monthly contributions are a set percent of "regular annual compensation." Regular annual compensation is defined as wages plus fringe benefits, excluding the flexible benefit allowance provided by Section 26-105 of Title 70 of the Oklahoma Statutes, and shall include all normal periodic payments as provided in subsection D of Section 17-116.2 of Title 70 of the Oklahoma Statues. Wages and fringe benefits for retirement purposes are defined as normal periodic payment for service the right to which accrues on a regular basis in proportion to the service performed. Such periodic payments shall include staff development or other periodic payments to qualifying members. Fringe benefits shall include employer-paid group health and disability insurance, group term life insurance, annuities and pension contributions and IRS Code Section 125 cafeteria benefits provided on a periodic basis to all qualified members of the employer, which qualify as fringe benefits under the United States Internal Revenue Code. A qualified member is any eligible employee who is currently contributing to the System. Excluded from regular annual compensation are: employer contributions to a deferred compensation plan that is not provided to all qualified members of the employer, expense reimbursement payments; office, vehicle, housing or other maintenance allowances; the flexible benefit allowance provided pursuant to Section 26-105 of Title 70 of the Oklahoma Statutes; payment for unused vacation and sick leave; any payment made for reason of termination or retirement; maintenance or other non-monetary compensation; payment received as an independent contractor or consultant; any benefit payments not made pursuant to a valid employment agreement; stipends that are not given across the board to all employees; payment received for obtaining national board certification; and compensation received from the Teacher Shortage Employment Incentive Program. Contributions can only be remitted on actual wages and fringe benefits. No individual can contribute on unearned or non-existent compensation. Under no circumstances can members pay retirement contributions on more than they actually earn.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 27 Ok Reg 1282, eff 5-27-10; Amended at 28 Ok Reg 981, eff 5-26-11; Revoked at 29 Ok Reg 863, eff 8-1-12; Added at 33 Ok Reg 1107, eff 8-25-16]

715:10-13-2. Contributions required on all compensation

Contributions shall be made on total compensation of each member. Total compensation means salary and benefits from all sources including federally-subsidized programs under the direct administration of a public school and salaries earned by an employee for extra duties. 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. 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. Individuals who join the Teachers' Retirement System 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. 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 credit for a year of service until the balance of contributions, including any contributions required by the employer, are received by TRS.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 19 Ok Reg 2729, eff 7-11-02]

715:10-13-3. Employee contribution rates

(a) Beginning with the 1996-97 school year, the maximum compensation level for all members, other than those members employed by a comprehensive university on or before June 30, 1995, shall be the member's regular annual compensation. This includes any employee of a comprehensive university who transfers to another school or university after June 30, 1996, or who terminates paid employment status with a comprehensive university and returns to employment at a later date.

(b) Beginning with the 1996-97 school year, the maximum compensation level for those employees of a "comprehensive university", defined in statutes as the University of Oklahoma and all of its constituent agencies, including the University of Oklahoma Health Sciences Center, the University of Oklahoma Law Center and the Geological Survey, and Oklahoma State University and all of its constituent agencies, including the Oklahoma State Agricultural Experiment Station, the Oklahoma State University Agricultural Extension Division, the Oklahoma State University College of Veterinary Medicine, the Oklahoma State University Center for Health Sciences, the Technical Branch at Oklahoma City the Technical Branch at Okmulgee and Oklahoma State University-Tulsa, who were employed on or before June 30, 1995, shall contribute the following:

(1) for members who, prior to June 30, 1995, elected to contribute on a maximum compensation level not to exceed $25,000:

(A) $32,500 for service between July 1, 1996 and June 30, 1997,
(B) $37,500 for service between July 1, 1997 and June 30, 1998,
(C) $42,500 for service between July 1, 1998 and June 30, 2000,
(D) $47,500 for service between July 1, 2000, and June 30, 2001,
(E) $52,500 for service between July 1, 2001, and June 30, 2002,
(F) $57,500.00 for service between July 1, 2002, and June 30, 2003,
(G) $62,500.00 for service between July 1, 2003, and June 30, 2004,
(H) $67,500.00 for service between July 1, 2004, and June 30, 2005,
(I) $72,500.00 for service between July 1, 2005, and June 30, 2006,
(J) $77,500.00 for service between July 1, 2006, and June 30, 2007, and
(K) the full amount of regular annual compensation for service authorized and performed after June 30, 2007, and

(2) for members who, prior to June 30, 1995, elected to contribute on a maximum compensation level in excess of $25,000, or who did not make an election prior to June 30, 1995, because their annual salary was less than $25,000:

(A) $49,000 for service between July 1, 1996 and June 30, 1997,
(B) $54,000 for service between July 1, 1997 and June 30, 1998,
(C) $59,000 for service between July 1, 1998 and June 30, 2000,
(D) $64,000 for service between July 1, 2000, and June 30, 2001,
(E) $69,000 for service between July 1, 2001, and June 30, 2002,
(F) $74,000 for service between July 1, 2002, but not later than June 30, 2003,
(G) $79,000 for service between July 1, 2003, and June 30, 2004,
(H) $84,000 for service between July 1, 2004, and June 30, 2005,
(I) $89,000 for service between July 1, 2005, and June 30, 2006,
(J) $94,000 for service between July 1, 2006, and June 30, 2007, and
(K) the full amount of regular annual compensation for service authorized and performed after June 30, 2007.

(c) A teacher employed by any school district or technology center school district, who qualifies for a minimum salary pursuant to the State's minimum salary schedule shall have a specific amount credited against the employee's contribution amount to TRS. The State of Oklahoma shall pay an annual amount as set forth in 70 O.S. §17-108.2 for each fiscal (or plan) year.

(d) Each school district or technology center school district shall adjust each eligible employee's monthly contribution to TRS in accordance with statutory provisions, and shall cause the annual amount paid by the State of Oklahoma as provided in the preceding paragraph to be deducted from the monthly remittance to each eligible employee's retirement account and a like amount added to the net pay of the eligible employee.

(1) If the school district pays the retirement contribution in addition to the employee's total compensation, the employer must reduce the employee's annual retirement contribution which the school pays to TRS by the appropriate amount and add that amount to each eligible employee's net pay.

(2) If the school district deducts the retirement contribution from each employee's total compensation, whether as a salary reduction to pay the retirement contribution as a fringe benefit or as a deduction on an after-tax basis, the employer must adjust the employee's annual retirement deduction in accordance with the amount to be paid by the State. The adjustment in the retirement deduction will result in an increase to the eligible employee's net pay.

(3) The State contribution to each eligible employee's retirement account is determined by the total experience of each employee as verified by the State Department of Education or the Oklahoma Department of Career and Technology Education.

(4) The State contribution must be calculated and paid in equal monthly installments as determined by the eligible employee's contract, i.e. ten months, eleven months or twelve months. Eligible employees who work less than a full contract year, whether full-time for less than a full contract year or part-time for the full contract year, shall have the prescribed State contribution prorated in accordance with the eligible employee's full-time equivalent rate of employment.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 13 Ok Reg 3899, eff 8-5-96 (emergency); Amended at 13 Ok Reg 3523, eff 8-26-96; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 15 Ok Reg 48, eff 9-4-97 (emergency); Amended at 15 Ok Reg 3481, eff 7-15-98; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 36 Ok Reg 1262, eff 8-11-19]

715:10-13-3.1. Employer contribution rates [REVOKED]

[**Source:** Added at 19 Ok Reg 2729, eff 7-11-02; Amended at 20 Ok Reg 380, eff 10-16-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07; Amended at 25 Ok Reg 287, eff 10-2-07 (emergency); Revoked at 25 Ok Reg 2598, eff 7-11-08]

715:10-13-3.2. Employer contribution rates for employers other than comprehensive and regional four-year universities beginning July 1, 2007 [EXPIRED]

[**Source:** Added at 25 Ok Reg 287, eff 10-2-07 through 7-14-08 (emergency)[1]]

715:10-13-3.3. Employer contribution rates comprehensive and regional four-year universities beginning July 1, 2007 [EXPIRED]

[**Source:** Added at 25 Ok Reg 287, eff 10-2-07 through 7-14-08 (emergency)[1]]

715:10-13-4. Maximum compensation level election for years prior to July 1, 1995

(a) Any member, except for employees of institutions of higher education as provided in 70 O.S. § 17-116.2A, who was a contributing member of the Retirement System between July 1, 1987, and

June 30, 1995, who elected to limit contributions to the first $25,000 of annual compensation, may elect to contribute on annual compensation up to a maximum of $40,000. may elect to

(b) If no election was made within the time provided by statute, the member was deemed to have elected the $25,000 compensation level.

(c) Except as provided in subsection (a) of this rule, a member may change the $25,000 election at any time prior to his or her official retirement date.

(d) If a member elects to change his or her election as provided by this rule, the member must remit to the Teachers' Retirement System the difference between the amount contributed and that which would have been contributed had a $40,000 maximum been elected when the member was first eligible to do so. This additional payment shall include any contribution that the law requires from the member's employer, and interest compounded annually at ten percent (10%) per annum on the balance due. The balance due may be made in a single lump sum or in installments as provided in OAC 715:10-5-4. However, the total balance must be paid prior to the effective date of retirement and cannot be purchased by any person after the death of the member.

[**Source:** Amended at 9 Ok Reg 3879, eff 7-12-93; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[1]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01]

715:10-13-4.1. Maximum compensation level election for the 1995-96 school year [REVOKED]

[**Source:** Added at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[1]; Added at 14 Ok Reg 3216, eff 7-25-97; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Revoked at 29 Ok Reg 864, eff 8-1-12]

715:10-13-5. Compensation corrections

The statutes provide that any member whose regular annual compensation was not determined as provided by law may pay the contribution on such amount not included in the member's regular annual compensation and receive credit for such amount in the calculation of the member's benefit. The member must also pay any employer contributions due TRS which are not paid by the employer. The intent of this provision and the provisions outlined above is to enable members to receive credit for their total contract salary up to applicable limits. Therefore, members' retirement contributions should be based on the gross salary before fringe benefits are subtracted, not after. No adjustments can be made until the corrections are documented as outlined in OAC 715:10-5-6. Any loss incurred by the Retirement System as a result of the failure of a school to comply with existing statutes or TRS Rules shall be paid by the member or school to the Retirement Fund. Interest compounded annually at ten percent (10%) per annum shall be charged on all balances due Teachers' Retirement because of failure to remit the proper contribution. In cases where a compensation correction should have been identified by TRS staff but was not, interest may be adjusted to correct for the error in accordance with TRS procedures.

[**Source:** Amended at 9 Ok Reg 3879, eff 7-12-93; Amended at 27 Ok Reg 1282, eff 5-27-10]

715:10-13-6. Employee contributions paid by the employer

Any school may, for and on behalf of any Teachers' Retirement System member, pay all or any portion of the membership contribution required by statutes.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 19 Ok Reg 2729, eff 7-11-02]

715:10-13-7. Matching funds

Statutes require employers of Teachers' Retirement System members whose compensation is paid from federal funds to match the contributions of these members on all compensation or that portion of compensation paid from these funds. Federal matching funds shall be transmitted at the same time and in the same manner as the members' contributions. Effective July 1, 2001, employers shall match on a pro rata basis the contributions of members whose salaries are paid by federal funds or externally sponsored agreements such as grants, contracts and cooperative agreements. Matching contributions shall be required on all salaries funded from revenues other than funds generated from local taxes or revenues originating from the State of Oklahoma. No later than April 1, 2001, and each April 1 thereafter, the Board of Trustees of the Teachers' Retirement System shall set the contribution rate to be paid by employers. The contribution rate shall be determined using cost principles established by federal regulations and shall be consistent with generally accepted accounting principles.

[**Source:** Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01]

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

The Teachers' Retirement System 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 Teachers' Retirement System 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. 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 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 insure any required adjustment in contributions is made if a member terminates employment or the member's salary changes during the school year.

(4) Contributions must be remitted monthly as long as the individual is employed in a position for which membership is a condition of employment. No member, including non-classified optional employees, may terminate contributions and retain membership in Teachers' Retirement System, except as expressly provided elsewhere in the statutes or TRS rules.

(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. The contribution shall be the same dollar amount required of the member.

[**Source:** Amended at 9 Ok Reg 3879, eff 7-12-93; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency); Amended at 14 Ok Reg 3216, eff 7-25-97]

715:10-13-9. Monthly remittance report of contributions [REVOKED]

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[1]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 20 Ok Reg 380, eff 10-16-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 28 Ok Reg 981, eff 5-26-11; Revoked at 29 Ok Reg 864, eff 8-1-12]

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

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 that certifies the number of hours worked that year by each less-than-full-time employee. The report shall also include the names and total number of hours worked by any employee receiving Teachers' Retirement System retirement benefits. This report shall be known as the Employment Year End Report.

[**Source**: Amended at 33 Ok Reg 1108, eff 8-25-16]

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

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.

715:10-13-12. Contracts bought up by employer

Teachers' Retirement System will not accept contributions on contract buyouts or grant creditable service, unless approved by the Board of Trustees resolution before the fact or when so ordered by a court of competent jurisdiction. Any payments for accumulated annual leave in excess of sixty (60) days or reimbursement for unused sick leave in excess of the daily amount paid to the teaching staff shall be considered a contract buy out.

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 ninety (90) days prior to the effective date of a member's official retirement date.

[**Source:** Added at 15 Ok Reg 48, eff 9-4-97 (emergency); Added at 15 Ok Reg 3481, eff 7-15-98; Amended at 29 Ok Reg 865, eff 8-1-12; Amended at 33 Ok Reg 1108, eff 8-25-16; Amended at 36 Ok Reg 1264, eff 8-11-19]

715:10-13-14. Termination credit for state agency employees who are members of the Teachers' Retirement System of Oklahoma

(a) An employee of a state agency or other governmental entity participating in the Teachers' Retirement System of Oklahoma, other than an employee of an Oklahoma public school, who has completed at least ten (10) years of full-time equivalent employment for that employer, and who is terminated because his or her position is eliminated through a reduction-in-force after July 1, 1998, and who is within three (3) years of becoming eligible for retirement, may purchase up to three (3) years of service credit in the Teachers' Retirement System if:

(1) the member, within six (6) months of his or her termination, files an election with the Teachers' Retirement System indicating an intent to purchase the termination credit;

(2) the Teachers' Retirement System is paid the full amount of both the employer and employee contributions that would have been paid to the System, based upon the maximum compensation level received by the member in the last full month he or she was employed by the state agency or governmental entity, multiplied by the number of months required for the member to qualify for retirement with an unreduced benefit had the member not been terminated; and

(3) full payment for the cost of the termination credit is made within sixty (60) days of filing the election to purchase the credit.

(b) If the member fails to pay the full amount of the required contribution amounts to the System within 60 days of filing the election to purchase the termination credit, the termination credit shall be

cancelled, and the Teachers' Retirement System shall return the purchase amount to the member, without interest.
(c) The purchased termination credit may be used only as service credit to qualify the member for normal retirement.
(d) If the member chooses to retire before his or her normal retirement date, or returns to employment with a participating employer before retirement, the member will not receive the termination credit, and the System will return to the member the purchase amount that has been paid, without interest.
(e) If the member dies before retirement, his or her spouse, if eligible to receive benefits, may elect to receive the benefit at the time the member would have become eligible to retire, or receive a return of the purchase amount that has been paid, without interest.

[**Source:** Added at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Added at 16 Ok Reg 3567, eff 9-13-99; Amended at 19 Ok Reg 2729, eff 7-11-02]

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 are remitted after the deadline they are assessed a 1 ½% late charge, compounding monthly. 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 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 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 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.

[**Source**: Added at 35 Ok Reg 2122 eff 9-14-18; Amended at 37 Ok Reg 2249, eff 9-11-20]

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Subchapter 15 - Service Retirement

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715:10-15-1. Eligibility for service retirement

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

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 29 Ok Reg 865, eff 8-1-12]

715:10-15-2. Age, service requirements for regular retirement

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

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 29 Ok Reg 865, eff 8-1-12]

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, 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 made no less than 90 days prior to the date of retirement.

(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, the member must submit to TRS 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. This form must be returned to TRS 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, properly executed before a notary, is required by statutes to be filed with TRS no less than thirty (30) days before the date of retirement. Therefore, the final contract for retirement must be completed and on file with 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.

[**Source:** Amended at 30 Ok Reg 1476, eff 7-1-13; Amended at 33 Ok Reg 1108, eff 8-25-16; Amended at 34 Ok Reg 513, eff 2-3-17 through 9-14-17 (emergency); Amended at 34 Ok Reg 2104, eff 9-14-17; Amended at 37 Ok Reg 2250, eff 9-11-20]

715:10-15.3.1. Employer's Verification of Retirement Information

Employers of members actively employed during the school year of retirement must submit to TRS information on the member's final year of employment to complete the member's retirement.

(1) Upon receipt of the Application to Retire from a member, TRS shall notify the employer that final employment information is needed from the employer. The employer shall submit the required employment information via TRS' online Employer Portal not less than sixty (60) days prior to the member's date of retirement. Information submitted by the employer shall include, but not be limited to: last day the member is expected to be physically on the job; last day the member is expected to be on the payroll, the member's expected final annual compensation for that employment year, and an expected balance of accrued/unused sick leave.

(2) No later than the 15th day of the month of the member's retirement the employer shall confirm via the TRS Employer Portal the information provided to TRS in subsection (1) above, making any changes to the final information as is necessary. Failure to submit this information by the deadline or errors in submitted information that result in a disqualification of retirement eligibility shall be the responsibility of the employer as is provided in 70 O.S. § 17-105(1)(a)(2).

[**Source:** Added at 34 Ok Reg 513, eff 2-3-17 through 9-14-17 (emergency); Amended at 34 Ok Reg 2104, eff 9-14-17]

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 the effective retirement date cannot be earlier than 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 retirement date can be that same month.

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

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 and shall be known as the date of retirement. The contract may be revoked by the member, or the retirement plan changed, before the date of retirement. Any change or revocation must be in writing, delivered to TRS or postmarked by the United States Postal Service prior to the effective date of retirement. After the retirement date, the contract cannot be canceled. After the 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 and the member's designated joint annuitant dies before the retirement date, the member may select another retirement plan without penalty. If a Maximum or Option 1 retiree should die during the month following the 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 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 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 TRS or postmarked by the United States Postal Service prior to the sixtieth day after the date of retirement.

(2) A member who elected the Maximum benefit and marries after the retirement date, may make a one-time election to change to an Option 2 or Option 3 benefit 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 Option 2 or 3 and the naming of a designated beneficiary. 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 by TRS and delivered to TRS or postmarked by the United States Postal Service within one (1) year of the date of marriage.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 27 Ok Reg 2802, eff 7-20-10 (emergency); Amended at 28 Ok Reg 981, eff 5-26-11; Amended 36 Ok Reg 1264, eff 8-11-19]

715:10-15-6. Verification of date of birth

The Board of Trustees has ruled that any of the documents listed below shall be acceptable for verification of date of birth:

(1) Birth Certificate
(2) Valid state or federal government issued photo identification
(3) Passport

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 25 Ok Reg 2598, eff 7-11-08; Amended at 30 Ok Reg 1476, eff 7-1-13]

715:10-15-7. Standard retirement formula

The standard retirement formula will be applied as directed in Title 70, Oklahoma Statutes, Section 17-116.2 [70 O.S. 17-116.2]

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 13 Ok Reg 3523, eff 8-26-96; Amended at 29 Ok Reg 866, eff 8-1-12]

715:10-15-7.1. Retirement formula for members employed by a comprehensive university [REVOKED]

[**Source:** Amended at 13 Ok Reg 3899, eff 8-5-96 (emergency); Added at 13 Ok Reg 3523, eff 8-26-96; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 22 Ok Reg 2255, eff 6-25-05; Revoked at 29 Ok Reg 866, eff 8-1-12]

715:10-15-7.2. Retirement formula for members retiring under provisions of the Education Employees Service Incentive Plan ("EESIP")

(a) Effective July 1, 2006 the legislature modified the standard retirement formula for TRS members employed by participating remitting entities under 70 O.S. §17-108.1(A), which excludes comprehensive and regional four-year universities.

(b) A member who was employed prior to July 1, 1995, may have service credits performed prior to July 1, 1995, calculated in the member's retirement formula used for service performed after July 1, 1995, when the member's average salary at retirement is greater than $40,000, and the member

works for a participating remitting entity under 70 O.S. §17-108.1(A) beyond the year in which he or she reaches normal retirement age. (The terms "average salary" and "normal retirement age" are defined in 70 O. S. § 17-101.)

(c) A member who works one year beyond the school year in which he or she reaches normal retirement age, and who is employed by a participating remitting entity under 70 O.S. §17-108.1(A), may move two (2) years of service performed prior to July 1, 1995, to the retirement formula used to calculate service performed after July 1, 1995. For each additional year the member works beyond normal retirement age, employed by a participating remitting entity under 70 O.S. §17-108.1(A), he or she may move two (2) additional years of service credit performed prior to July 1, 1995. Only years worked beyond normal retirement and while working for a participating remitting entity under 70 O.S. §17-108.1(A) shall be used to uncap years of service.

(d) For members who retire on or after July 1, 2006, and before June 30, 2007, the maximum average salary that can be used to calculate the benefit for service credits that qualify to be moved under this section is $60,000. During this one-year period, a member whose average salary at retirement is greater than $60,000 shall have benefits calculated in three steps: 2% x $40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; 2% x $60,000 for service performed prior to July 1, 1995, that qualifies as moved service; and 2% x the member's average salary for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.])

(e) For members who retire on or after July 1, 2007, and before June 30, 2008, the maximum average salary that can be used to calculate the benefit for service credits that qualify to be moved under this section is $80,000. During this one-year period, a member whose average salary at retirement is greater than $80,000 shall have benefits calculated in three steps: 2% x $40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; 2% x $80,000 for service performed prior to July 1, 1995, that qualifies as moved service; and 2% x the member's average salary for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.])

(f) For members who retire on or after July 1, 2008, the average salary used to calculate the benefit for service credits that qualify to be moved under this section is the member's average salary at retirement. The member's retirement benefit will be calculated as follows: 2% x $40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; and 2% x the member's average salary for service performed prior to July 1, 1995, that qualifies as moved service and for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.])

(g) A member whose Regular Annual Compensation was greater than $40,000 during the school years 1987-88 through 1994-95 must make an additional contribution to qualify for movement of service provided for in this section. [See OAC 715:10-5-4.1. Payment of contribution deficit for Education Employees Service Incentive Plan]

(h) A member reaches Normal Retirement Age during the school year he or she reaches age 62, or when the member's age and total service equal 80 or more for those members those official TRS membership date is prior to July 1, 1992, and when the member's age and total service equal 90 or more for those members whose official TRS membership date is on or after July 1, 1992.

(i) For this section, credit a member may receive for having 120 or more days of unused sick leave at retirement will be used in determining the school year in which a member reaches Normal Retirement Age.

(j) For this section, a member who reaches Normal Retirement Age by the tenth of July of any school year will be considered to have reached Normal Retirement Age at the beginning of that school year. A member who reaches Normal Retirement Age after the tenth of July of any school year will

be considered to have reached Normal Retirement Age at the beginning of the next school year in which the member is employed.
(k) To qualify for a year of service beyond Normal Retirement Age, OAC 715:10-3-2 and OAC 715:10-3-3 will be used to determine credited service. However, a fractional year of service performed after reaching Normal Retirement Age cannot be combined with a fractional year of service performed prior to reaching Normal Retirement Age to qualify for a year of service credit under this section. Fractional years of service worked after reaching Normal Retirement Age can be combined to create a full year of credited service. If a member participates in EESIP and wears away at least two (2) years of capped service but has employment at a non-participating entity (comprehensive and regional four-year universities) after reaching Normal Retirement Age, service credit will be awarded for the employment for the non-participating entity, but the salary the member earned at the non-participating entity will not be applied to those years of service which qualify for the Education Employees Services Incentive Plan (EESIP)
(l) The provisions of subsections e and f of this section become effective only if additional employer contributions are funded as required by 70 O.S. § 17-116.2C.

[**Source:** Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07; Amended at 33 Ok Reg 1109, eff 8-25-16; Amended at 36 Ok Reg 1264, eff 8-11-19]

715:10-15-8. Age, creditable service determination

The member's age, and the age of a member's designated beneficiary, at retirement shall be determined as the age attained as of the last birthday. Total creditable service shall be determined to the nearest whole number with any fractional part of a year rounded down. Age shall be determined as of the date of retirement in the following manner:

(1) If the member's date of birth is on or before the tenth (10th) day of the month of retirement, the age shall be the age of the member on the tenth (10th) day of the month.

(2) If the member's date of birth is after the tenth (10th) day of the month of retirement, the age shall be the age of the member on the first day of the month.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99]

715:10-15-9. Minimum service retirement benefits

Minimum service retirement benefits are payable as follows:

(1) If a classified employee's average salary is less than $6,500, the retirement allowance shall be $10.83 per month for each year of service.

(2) If a nonclassified employee's average salary is less than $5,350, the retirement allowance shall be $8.91 per month for each year of service.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93]

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 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 calculated using the standard retirement formula set by statutes. In the event the total retirement 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.

(2) Retirement Option 1 provides a slightly reduced lifetime benefit. The monthly entitlement 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 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. (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 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(g). 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). 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.

[**Source:** Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[2]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[3]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 33 Ok Reg 1110, eff 8-25-16; Amended at 34 Ok Reg 513, eff 2-3-17 through 9-14-17 (emergency); Amended at 34 Ok Reg 2104, eff 9-14-17]

715:10-15-10.1. "Pop-up" of Option 2 or Option 3 retirement plans

If the designated joint annuitant under the Option 2 or 3 retirement plan 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 or 3 retirement plan. In such an event, the member's monthly retirement benefit and any amount due at the death of the member shall be calculated as if the member had selected the Maximum retirement allowance. The increase in the member's monthly benefit becomes effective the first day of the month following the date of death of the designated joint annuitant and shall be payable for the member's remaining lifetime. The member shall notify TRS of the death of the designated joint annuitant in writing and provide a certified copy of the joint annuitant's death certificate. In the absence of timely notice, TRS shall make retroactive benefit payments to the member, not to exceed six (6) months from the time the member first became eligible for increased benefits to the date notification is received. Notwithstanding any other provision, increased benefits will not be due for any period prior to July 1, 1994.

[**Source:** Added at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended 36 Ok Reg 1265, eff 8-11-19]

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

(a) Any member of the Teachers' Retirement System 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) 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 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 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 separate 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 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.

[Source: Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[1]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 29 Ok Reg 866, eff 8-1-12; Amended at 33 Reg 1111, eff 8-25-16]

715:10-15-10.3. Partial Lump-sum Option Factors

Factors have been developed by consulting actuaries and adopted by the Board of Trustees to be used in the calculation of the partial lump-sum payment selected by a member of the Teachers' Retirement System. The Board of Trustees may adopt new tables at any time upon recommendation of the consulting actuaries, when in the opinion of the Board the experience of the System may justify the need for such change. Adoption of new tables will be prospective and shall not affect any partial lump-sum payment selected and paid prior to the adoption of new factors. The reduction factors are provided on the Application to Retire.

[**Source:** Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[1]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 29 Ok Reg 867, eff 8-1-12; Amended at 36 Ok Reg 2122, eff 9-14-18]

715:10-15-11. Designation of beneficiaries or joint annuitant for retirement options

A designation of beneficiary or joint annuitant must be made when the retirement contract is completed. A member who selects the Maximum, Option 1 or Option 4 retirement plan may name more than one beneficiary. Once the member has been retired for more than sixty (60) days or if no change in the member's retirement plan occurs, beneficiaries named for the Maximum, Option 1, or Option 4 retirement plan may be changed by the member at any time using a form prescribed by TRS. The joint annuitant for the Option 2 or Option 3 retirement plan cannot be changed even if the joint annuitant dies before the member, providing, however, the retired member may designate a beneficiary different from the joint annuitant to receive the $5,000 death benefit. The member who elects the Option 4 retirement plan must name a beneficiary, who can be any living person or persons, or a trust. The beneficiary does not have to be a spouse or dependent. In the case of a divorce the retirement contract remains in force and the member's joint annuitant (ex-spouse) will receive the member's monthly benefit after the member's death (if named as a joint annuitant) unless a Court, acting through a Qualified Domestic Relations Order, directs otherwise.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 25 Ok Reg 2598, eff 7-11-08; Amended at 33 Ok Reg 1111, eff 8-25-16; Amended at 35 Ok Reg 2122, eff 9-14-18; Amended at 36 Ok Reg 1266, eff 8-11-19]

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(g) 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.

[Added at 34 Ok Reg 513, eff 2-3-17 through 9-14-17 (emergency); Amended at 34 Ok Reg 2104, eff 9-14-17]

715:10-15-12. Spousal consent

When selecting a retirement option, a TRS Acknowledgment of Spousal Consent Form shall be completed. If the member is married at the time of retirement, the retiring member's spouse must complete Part A, acknowledging that the retirement options available to the member have been explained to the spouse and the spouse concurs with the retirement option selected by the retiring member. If the member is unmarried at the time of retirement, the member must complete Part B, certifying that he or she is unmarried or that at the time of retirement the whereabouts of the spouse is unknown and cannot be located. The Spousal Consent form is an integral part of the application for retirement and must be filed with the retirement contract before the member's retirement becomes effective.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 17 Ok Reg 3071, eff 7-13-00]

715:10-15-13. Survivor benefits when death occurs after retirement [REVOKED]

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99; Revoked at 29 Ok Reg 868, eff 8-1-12]

715:10-15-14. Actuarial tables

Actuarial tables, developed by consulting actuaries, have been adopted by the Board of Trustees and will be used for computation of benefits. Factors for ages or types of annuities, which are not included in the tables, will be computed from the same data by the same general formulas. The Board of Trustees may adopt new tables at any time upon recommendation of the consulting actuaries, when in the opinion of the Board the experience of the System may justify the need for such change. New tables shall be published by the Board with an effective date.

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) 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 a Social Security Award Notice 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 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 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 disability and the reasons 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.

(d) TRS must receive the complete application for disability retirement by the first day of the month in which the Medical Board is scheduled to meet.

(e) The effective date for disability retirement is the later of (1) or (2) below:

(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, 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 and cannot be revoked except by written request from the member prior to the effective retirement date as provided by OAC 715:10-15-5 or by returning to employment as provided in OAC 715:10-15-21.

(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 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 715:10-15-21). The only survivor benefits available to a disabled member's beneficiaries or estate is a return of member contributions not paid to the member in the form of monthly benefits and the $5,000 death benefit provided per statute, unless 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 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. 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, as provided in OAC 715:10-15-10.1.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Amended at 11 Ok Reg 4251, eff 7-25-94; Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)[2]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13

Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[3]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[4]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 36 Ok Reg 1266, eff 8-11-19]

715:10-15-16. Review by Medical Board

Upon receipt of the application for disability retirement, the TRS Medical Board will review the application at its next 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. Temporary disability retirement benefits may be provided for six (6) to twelve (12) months, 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. 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. The member may then submit additional medical evidence for further review or 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.

[**Source:** Amended at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Amended at 11 Ok Reg 4251, eff 7-25-94; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 33 Ok Reg 1111, eff 8-25-16; Amended at 36 Ok Reg 1267, eff 8-11-19]

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

If, in the opinion of the Medical Board, additional information is necessary, the member will be required to submit to an examination by another physician designated by the Medical Board. TRS will appoint a physician at its cost and generally from the applicant's area of residence, to perform such an 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 consulting physician designated by the Medical Board, the Medical Board must specifically state its opinions and conclusions in its recommendation of denial.

[**Source:** Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[1]; Amended at 14 Ok Reg 3216, eff 7-25-97]

715:10-15-18. Discontinuance of disability retirement

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 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 terminated, that information will be provided to the member and the member will be advised of the right to appeal the recommendation. Disability benefits will continue to the member while the appeal process is before the Board of Trustees. Any member under age 62 receiving disability retirement benefits who returns to employment in any school or to a position similar to the position held when disability benefits were approved shall immediately be subject to discontinuance of benefits.

[**Source:** Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[1]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 20 Ok Reg 2596, eff 7-11-03]

715:10-15-19. Disability retirement payments

The first monthly payment shall be due on the first day of the month that follows the effective date of the disability retirement.

(1) The disability retirement allowance shall be in lieu of any other TRS retirement benefit for which the member might otherwise qualify.

(2) The benefit payment for the month in which the retired member died, if not previously paid, shall be made to the member's beneficiary, or, if the member has no beneficiary, to the member's estate. The amount of the benefit payment for the month in which the member died shall be equal to the full monthly benefit payment, regardless of the day of the month on which the retired member died.

(3) Members who qualify for disability retirement shall have their total monthly benefit payments deducted from their accumulated contributions. Any monies remaining in the member's retirement account at death shall be paid to the beneficiary or the estate in a lump sum.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 16 Ok Reg 3567, eff 9-13-99]

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 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

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

All persons under 62 years of age who are retired on a TRS disability must file by April 15 of each year a report of earnings received from gainful employment for the previous calendar year on a form provided by TRS. Failure to submit a timely report may result in a requirement for a medical re-examination or suspension of benefits until the report is filed. If it is determined that the person is receiving excessive earnings or is employed in a position requiring duties similar to those required in

the position held before having been granted disability benefits, a medical re-examination may be required to determine if the person is still qualified for disability retirement.

[**Source:** Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 20 Ok Reg 2596, eff 7-11-03]

715:10-15-23. Special $150 per month plan; application; effective date

(a) A former teacher, who taught a minimum of ten (10) years in the public schools of Oklahoma prior to July 1, 1943 shall receive a monthly pension of One Hundred Fifty Dollars ($150.00). A teacher who taught in the public schools of Oklahoma one (1) year prior to 1934 and thereafter taught a minimum of ten (10) years, or who taught a minimum of thirty (30) years in the public schools of Oklahoma and reached the age of seventy (70) years of age prior to July 1, 1984, shall be eligible for a monthly pension of One Hundred Fifty Dollars ($150.00). The former teacher must not be otherwise eligible to receive any benefit from TRS to be eligible for this monthly pension.

(b) Anyone who qualifies may apply for the $150 per month pension by providing verification of the service performed by the member and completing a final contract for retirement. The necessary verification may be obtained from the Teacher Personnel Section, State Department of Education, records from the schools, the county superintendents or the county treasurers where the school districts are located. The applicant's signature on the final contract must be notarized.

(c) The effective date of retirement shall be the first of the month after all required documentation is received in the Teachers' Retirement office, Oklahoma City, Oklahoma. No payments shall be made retroactive.

715:10-15-24. Due-date of retirement benefit payments

(a) Monthly benefit payments are due the first day of each month to all eligible retirees. Payments are deposited in the United States Postal Service, or paid to a designated agent providing electronic fund transfers, on the last day of each month. The benefit payment for the month in which the retired member died, if not previously paid, shall be made to the member's beneficiary, or, if the member has no beneficiary, to the member's estate. The amount of the benefit payment for the month in which the member died shall be equal to the full monthly benefit payment, regardless of the day of the month on which the retired member died. TRS cannot be responsible for payments lost in the mail, except that duplicate payments will be processed after fifteen (15) days.

(b) Effective January 1, 2000, newly retired members shall be required to receive monthly benefit payments via electronic fund transfers to a banking or financial institution designated. The retiree and receiving institution must complete the form prescribed for this purpose by the Teachers' Retirement System. In the event the electronic fund transfer creates an undue hardship on the retiree, the executive director of the Teachers' Retirement System may waive this requirement when it is determined to be in the best interest of the member and the Retirement System.

[**Source:** Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)[1]; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 28 Ok Reg 981, eff 5-26-11]

715:10-15-25. Changes and corrections to retirement benefit payments

Members should promptly notify TRS of any change that affects their monthly retirement payment. Changes in address, banking information affecting direct deposit information, and dependents status for insurance coverage or deductions for state and federal income taxes will be processed and reflected in the next month's payment, if received by TRS on or before the fifteenth (15th) of the month. Changes received after the 15th will not be processed until the following month.

[**Source**: Amended at 34 Ok Reg 2122, eff 9-14-18]

715:10-15-26. Code Section 415 limits as applied to TRS

(a) Notwithstanding any other provision of the administrative code, contributions paid to and benefits paid from the retirement system shall not exceed the maximum contributions and benefits permissible under Internal Revenue Code Section 415. For 415 testing purposes, the limitation year is the calendar year.

(b) Participation in Other Qualified Plans: Aggregation of Limits

(1) The 415(b) limit with respect to any member who at any time has been a member in any other defined benefit plan as defined in Internal Revenue Code Section 414(j) maintained by the member's employer in the retirement system shall apply as if the total benefits payable under all such defined benefit plans in which the member has been a member were payable from one (1) plan.

(2) The 415(c) limit with respect to any member who at any time has been a member in any other defined contribution plan as defined in Internal Revenue Code Section 414(i) maintained by the member's employer in the retirement system shall apply as if the total annual additions under all such defined contribution plans in which the member has been a member were payable from one (1) plan.

(c) Basic 415(b) Limitation

(1) Before January 1, 1995, a member may not receive an annual benefit that exceeds the limits specified in Internal Revenue Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a member may not receive an annual benefit that exceeds the dollar amount specified in Internal Revenue Code Section 415(b)(1)(A), subject to the applicable adjustments in Internal Revenue Code Section 415(b) and subject to any additional limits that may be specified in the retirement system. In no event shall a member's benefit payable under the retirement system in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Internal Revenue Code Section 415(d) and the regulations thereunder.

(2) For purposes of Internal Revenue Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Internal Revenue Code Section 415(n)) and to rollover contributions (as defined in Internal Revenue Code Section 415(b)(2)(A)). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

(d) Adjustments to Basic 415(b) Limitation for Form of Benefit. If the benefit under the retirement system is other than the form specified in subsection (c)(2), then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations.

(1) If the form of benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Internal Revenue Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount [determined using the assumptions specified in Treasury Regulation section 1.415(b)-1(c)(2)(ii)] that takes into account the additional benefits under the form of benefit as follows:

(2) For a benefit paid in a form to which Internal Revenue Code Section 417(e)(3) does not apply [a monthly benefit], the actuarially equivalent straight life annuity benefit that is the greater of (or the reduced Limit applicable at the annuity starting date which is the "lesser of" when adjusted in accordance with the following assumptions):

(A) The annual amount of the straight life annuity (if any) payable to the member under the retirement system commencing at the same annuity starting date as the form of benefit to the member, or

(B) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the member, computed using a 5% interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Rulings 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Internal Revenue Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Internal Revenue Code Section 417(e)(3)(B)); or

(3) For a benefit paid in a form to which Internal Revenue Code Section 417(e)(3) applies [a lump sum benefit], the actuarially equivalent straight life annuity benefit that is the greatest of (or the reduced Internal Revenue Code Section 415(b) limit applicable at the annuity starting date which is the "least of" when adjusted in accordance with the following assumptions:

(A) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the plan for actuarial experience;

(B) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a 5.5 percent interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality table for the distribution under Treasury Regulation section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Internal Revenue Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Internal Revenue Code Section 417(e)(3)(B)); or

(C) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate the in effect for the first day of the plan year with a one-year stabilization period)) and (i) for years prior to January 1, 2009, the applicable mortality rate for the distribution under Treasury Regulation section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Internal Revenue Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Internal Revenue Code Section 417(e)(3)(B)), divided by 1.05.

(e) Benefits Not Taken into Account for 415(b) Limitation. For purposes of this section, the following benefits shall not be taken into account in applying these limits:

(1) Any ancillary benefit which is not directly related to retirement income benefits;

(2) That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity;

(3) Any other benefit not required under Internal Revenue Code Section 415(b)(2) and Treasury Regulations thereunder to be taken into account for purposes of the limitation of Internal Revenue Code Section 415(b)(1).

(f) Other Adjustments in 415(b) Limitation.

(1) In the event the member's retirement benefits become payable before age sixty-two (62), the limit prescribed by this section shall be reduced in accordance with Treasury Regulations pursuant to the provisions of Internal Revenue Code Section 415(b), so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar ($160,000) (as adjusted) annual benefit beginning at age sixty-two (62).

(2) The reductions provided for in (1) above shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

(g) Less than Ten (10) Years of Participation. The maximum retirement benefits payable under OAC 715:10-15-26 to any member who has completed less than ten (10) years of participation shall be the amount determined under OAC 715:10-15-26(c), as adjusted under OAC 715:10-15-26(d) and/or OAC 715:10-15-26(f), multiplied by a fraction, the numerator of which is the number of the member's years of participation and the denominator of which is ten (10). The reduction provided by OAC 715:10-15-26(g) cannot reduce the maximum benefit below 10% of the limit determined without regard to OAC 715:10-15-26(g). The reduction provided for in OAC 715:10-15-26(g) shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

(h) Ten Thousand Dollar ($10,000) Limit; Less than Ten (10) Years of Service. Notwithstanding anything in OAC 715:10-15-26 to the contrary, the retirement benefit payable with respect to a member shall be deemed not to exceed the limit set forth in OAC 715:10-15-26(h) if the benefits payable, with respect to such member under the retirement system and under all other qualified defined benefit pension plans to which the member's employer contributes, do not exceed ten thousand dollars ($10,000) for the applicable limitation year and for any prior limitation year and the employer has not at any time maintained a qualified defined contribution plan in which the member participated; provided, however, that if the member has completed less than ten (10) years of service with the employer in the retirement system, the limit under OAC 715:10-15-26(h) shall be a reduced limit equal to ten thousand dollars ($10,000) multiplied by a fraction, the numerator of which is the number of the member’s years of service and the denominator of which is ten (10).

(i) Effect of COLA without a Lump Sum Component on 415(b) Testing. Effective on and after January 1, 2009, for purposes of applying the limits under Internal Revenue Code Section 415(b) (the "Limit") to a member with no lump sum benefit, the following will apply:

(1) a member's applicable Limit will be applied to the member's annual benefit in the member's first limitation year without regard to any cost of living adjustments under Oklahoma statutes;

(2) to the extent that the member's annual benefit equals or exceeds the Limit, the member will no longer be eligible for cost of living increases until such time as the benefit plus the accumulated increases are less than the Limit; and

(3) thereafter, in any subsequent limitation year, a member's annual benefit, including any cost of living increases under Oklahoma statutes, shall be tested under the then applicable benefit Limit including any adjustment to the Internal Revenue Code Section 415(b)(1)(A) dollar limit under Internal Revenue Code Section 415(d), and the regulations thereunder.

(j) Effect of COLA with a Lump Sum Component on 415(b) Testing. On and after January 1, 2009, with respect to a member who receives a portion of the member's annual benefit in a lump sum,

a member's applicable Limit will be applied taking into consideration cost of living increases as required by Internal Revenue Code Section 415(b) and applicable Treasury Regulations.

(k) Section 415(c) limitations on contributions and other additions. After-tax member contributions or other annual additions with respect to a member may not exceed the lesser of $40,000 (as adjusted pursuant to Internal Revenue Code Section 415(d)) or 100% of the member's compensation.

(1) Annual additions are defined to mean the sum (for any year) of employer contributions to a defined contribution plan, member contributions, and forfeitures credited to a member's individual account. Member contributions are determined without regard to rollover contributions and to picked-up employee contributions that are paid to a defined benefit plan.

(2) For purposes of applying Internal Revenue Code Section 415(c) and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulation section 1.415(c)-2, or successor regulation; provided, however, that member contributions picked up under Internal Revenue Code Section 414(h) shall not be treated as compensation.

(3) Solely for purposes of calculating and complying with the limitations under Internal Revenue Code Section 415, a member's compensation will be defined as wages within the meaning of Internal Revenue Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Internal Revenue Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Internal Revenue Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Internal Revenue Code Section 3401(a)(2)).

(A) However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Internal Revenue Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning after December 31, 2000, compensation shall also include any elective amounts that are not includible in the gross income of the member by reason of Internal Revenue Code Section 132(f)(4).

(B) For limitation years beginning on and after January 1, 2009, compensation for the limitation year shall also include compensation paid by the later of 2½ months after a member's severance from employment or the end of the limitation year that includes the date of the member's severance from employment if:

(i) the payment is regular compensation for services during the member's regular working hours, or compensation for services outside the member's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the member while the member continued in employment with the employer; or

(ii) the payment is for unused accrued bona fide sick, vacation or other leave that the member would have been able to use if employment had continued.

(iii) payments pursuant to a nonqualified unfunded deferred compensation plan, but only if the payments would have been paid to the member at the same time if the member had continued employment with the employer and only to the extent that the payment is includible in the member’s gross income.

(iv) Any payments not described in paragraph (B) above are not considered compensation if paid after severance from employment, even if they are paid within 2 ½ months following severance from employment, except for payments to the individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Internal Revenue Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service.

(v) An employee who is in qualified military service (within the meaning of Internal Revenue Code Section 414(u)(1)) shall be treated as receiving compensation from the employer during such period of qualified military service equal to (i) the compensation the employee would have received during such period if the employee were not in qualified military service, determined based on the rate of pay the employee would have received from the employer but for the absence during the period of qualified military service, or (ii) if the compensation the employee would have received during such period was not reasonably certain, the employee's average compensation from the employer during the twelve month period immediately preceding the qualified military service (or, if shorter, the period of employment immediately preceding the qualified military service).

(C) Back pay, within the meaning of Treasury Regulation section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

(4) For limitation years beginning on or after January 1, 2009, a member's compensation for purposes of subsection (k) shall not exceed the annual limit under Internal Revenue Code Section 401(a)(17).

(l) Service Purchases under Section 415(n). Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a member makes one or more contributions to purchase permissive service credit under the retirement system, then the requirements of Internal Revenue Code Section 415(n) will be treated as met only if:

(1) the requirements of Internal Revenue Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Internal Revenue Code Section 415(b), or

(2) the requirements of Internal Revenue Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Internal Revenue Code Section 415(c).

(3) For purposes of applying this section, the retirement system will not fail to meet the reduced limit under Internal Revenue Code Section 415(b)(2)(C) solely by reason of this subparagraph and will not fail to meet the percentage limitation under Internal Revenue Code Section 415(c)(1)(B) solely by reason of this section.

(4) For purposes of this section the term "permissive service credit" means service credit

(A) recognized by the retirement system for purposes of calculating a member's benefit under the retirement system,

(B) which such member has not received under the retirement system, and

(C) which such member may receive only by making a voluntary additional contribution, in an amount determined under the retirement system, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

(5) Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may include service credit for periods for which there is no performance of service, and, notwithstanding paragraph (4), subparagraph (B), may include service credited in order to provide an increased benefit for service credit which a member is receiving under the retirement system.

(6) The retirement system will fail to meet the requirements of this section if

(A) more than five years of nonqualified service credit are taken into account for purposes of this subparagraph, or

(B) any nonqualified service credit is taken into account under this paragraph before the member has at least five years of participation under the retirement system.

(7) For purposes of paragraph (6), effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, the term "nonqualified service credit" means permissive service credit other than that allowed with respect to

(A) service (including parental, medical, sabbatical, and similar leave) as an employee of the Government of the United States, any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of a repayment described in Internal Revenue Code Section 415(k)(3)),

(B) service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (A)) of an education organization described in Internal Revenue Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed,

(C) service as an employee of an association of employees who are described in subparagraph (A), or

(D) military service (other than qualified military service under Internal Revenue Code Section 414(u)) recognized by the retirement system.

(8) In the case of service described in paragraph (7), subparagraph (A), (B), or (C), such service will be nonqualified service if recognition of such service would cause a member to receive a retirement benefit for the same service under more than one plan.

(9) In the case of a trustee-to-trustee transfer after December 31, 2001, to which Internal Revenue Code Section 403(b)(13)(A) or Internal Revenue Code Section 457(e)(17)(A) applies (without regard to whether the transfer is made between plans maintained by the same employer):

(A) the limitations of paragraph (6) will not apply in determining whether the transfer is for the purchase of permissive service credit, and

(B) the distribution rules applicable under federal law to the system will apply to such amounts and any benefits attributable to such amounts.

(10) For an eligible member, the limitation of Internal Revenue Code Section 415(c)(1) shall not be applied to reduce the amount of permissive service credit which may be purchased to an amount less than the amount which was allowed to be purchased under the terms of the retirement system as in effect on August 5, 1997. For purposes of this paragraph an eligible member is an individual who first became a member in the retirement system before January 1, 1998.

(11) Nothing in this subsection (l) shall provide any additional rights to purchase service credit in the retirement system that are not otherwise expressly provided for under other provisions of these rules or Oklahoma statutes.

(m) Modification of Contributions for 415(c) and 415(n) Purposes. Notwithstanding any other provision of law to the contrary, the retirement system may modify a request by a member to make a contribution to the retirement system if the amount of the contribution would exceed the limits provided in Internal Revenue Code Section 415 by using the following methods:

(1) If the law requires a lump sum payment for the purchase of service credit, the retirement system may establish a periodic payment plan for the member to avoid a contribution in excess of the limits under Internal Revenue Code Section 415(c) or 415(n), pursuant to OAC 715:10-5-4.

(2) If payment pursuant to subparagraph (1) will not avoid a contribution in excess of the limits imposed by Internal Revenue Code Section 415(c) or 415(n), the retirement system may either reduce the member's contribution to an amount within the limits of those sections or refuse the member's contribution. The rules applicable to picked-up service purchases under OAC 715:10-5-35 are not subject to this subsection.

(n) Repayments of Cashouts. Any repayment of contributions (including interest thereon) to the retirement system with respect to an amount previously refunded upon a forfeiture of service credit under the retirement system or another governmental plan maintained by the retirement system shall not be taken into account for purposes of Internal Revenue Code Section 415, in accordance with applicable Treasury Regulations.

(o) Reduction of Benefits Priority Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the member's benefit under any defined benefit plans in which the member participated, such reduction to be made first with respect to the plan in which the member most recently accrued benefits and thereafter in such priority as shall be determined by the plan and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the member participated, such reduction to be made first with respect to the plan in which the member most recently accrued benefits and thereafter in such priority as shall be established by the plan and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the plan and the plan administrator of all other plans covering such member.

[**Source:** Added at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 26 Ok Reg 318, eff 11-12-08 (emergency); Amended at 26 Ok Reg 2379, eff 6-25-09; Amended at 30 Ok Reg 1476, eff 7-1-13]

715:10-15-27. Code Section 401 (a) (17) limits as applied to TRS

Notwithstanding any other provision of the administrative code, benefit calculations from the retirement system shall not take into account compensation in excess of the amount prescribed by Section 401(a)(17) of the Internal Revenue Code. However, this limit shall not apply to any eligible participant (any member who joined the system prior to July 1, 1996).

[**Source:** Added at 12 Ok Reg 3666, eff 9-8-95 through 7-14-96 (emergency)[1]; Added at 13 Ok Reg 3523, eff 8-26-96]

715:10-15-28 Waiver of retirement application deadline

70 O.S. § 17-105 provides that the sixty (60) day application for retirement deadline can be waived by application to the Executive Director. The application for waiver must state the reason for the request and the decision to grant or deny the waiver shall be made by the Executive Director. The application for waiver must be received by TRS no less than 15 days prior to the date of retirement. Upon request of the member, the Board may review at its next regular meeting any denial of a waiver by the Executive Director. Members are presumed to be familiar with the plan provisions and aware of the notice requirement and the Executive Director will grant the waiver

only for good cause shown. Good cause is generally shown in cases of an unforeseen hardship, such as illness of the member or a member's family, a reduction in force, layoff of employment, or other unexpected change in job status. Good cause is also generally shown in cases of error or delay on the part of the employer and the error or delay is due to no fault of the member.

[**Source**: Added at 35 Reg 2122, eff 9-14-18]

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Subchapter 17 - Post-Retirement Employment

715:10-17-1. Definitions
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715:10-17-3. Fulltime employment after retirement [REVOKED]
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715:10-17-10. Effective date of OAC 715:10-17-1 through 715:10-17-9 [REVOKED]
715:10-17-11. Special waiver for retirees past age 70 [REVOKED]
715:10-17-12. Earnings report by remitting agencies
715:10-17-13. Election to return to qualifying employment
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715:10-17-15. Salary limitations for certain returning classroom teachers
715:10-17-16. Post retirement employment with the State Department of Education

715:10-17-1. Definitions

The following words or terms, when used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Public school" means all schools, colleges, universities, state agencies, boards, commissions or other state educational entities conducted within the state supported wholly or partly by public funds and operating for any function of public education. All employment by any state agency, which would cause or allow the member to be enrolled in TRS as an active employee will constitute employment by a public school for the purposes of this section. Members receiving service retirement benefits may be employed in private schools, public schools in other states, and in private business without affecting their benefits.

"Retired Member" shall be inclusive of any person, who is receiving monthly benefits from the Teachers' Retirement System of Oklahoma, whether that person is an individual, incorporated entity, corporation, proprietorship, partnership, limited liability company or partnership, or any other business structure that contracts with a public school to perform duties ordinarily performed by classified or non-classified personnel.

"Retirement" means withdrawal from active service, with a retirement benefit in lieu thereof.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 20 Ok Reg 380, eff 10-16-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03]

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. 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.

[**Source:** Amended at 29 Ok Reg 868, eff 8-1-12; Amended at 35 Ok Reg 2122, eff 9-14-18]

715:10-17-3. Fulltime employment after retirement [REVOKED]

[**Source:** Revoked at 10 Ok Reg 3879, eff 7-12-93]

715:10-17-4. Fulltime employment with no effect on benefits [REVOKED]

[**Source:** Amended at 10 Ok Reg 3289, eff 6-12-92 (emergency); Revoked at 10 Ok Reg 3879, eff 7-12-93]

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(7) 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). TRS will follow guidelines in

subsection B of Section 6-101.2 of Title 70 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.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 20 Ok Reg 384, eff 12-9-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; amended at 37 Ok Reg 2250, eff 9-11-20]

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].

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 15 Ok Reg 48, eff 9-4-97 (emergency); Amended at 15 Ok Reg 3481, eff 7-15-98; Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 20 Ok Reg 384, eff 12-9-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[2]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 28 Ok Reg 981, eff 5-26-11; Amended at 29 Ok Reg 868, eff 8-1-12; Amended at 30 Ok Reg 1481, eff 7-1-13; Amended at 35 Ok Reg 2123, eff 9-14-18]

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, 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) Each retired member, who has not attained age 62, receiving disability retirement from TRS shall complete a TRS Report of Earned Income by Disabled Member Form and file such form with TRS by April 15 each year. The report will list all "earned" income from all sources. Failure to complete a TRS Report of Earned Income by Disabled Member Form 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).

[**Source:** Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 27 Ok Reg 1282, eff 5-27-10; Amended at 28 Ok Reg 981, eff 5-26-11]

715:10-17-8. Repayment of benefits

Any amount due TRS because of earnings exceeding the maximum must be repaid by the member within 30 days of the billing date. TRS has the right to suspend monthly benefits, once the member has reached their earnings limit and continues to be employed. TRS may also offset up to 25% of a member's monthly benefit payment to recoup overpayments. Repayment of benefits forfeited due to employment in excess of the maximum limit will require an interest penalty of eight percent (8%) per annum, compounded monthly from the date due to the date of repayment.

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 35 Ok Reg 2123, eff 9-14-18]

715:10-17-9. Annual W-2P tax statements

TRS will not adjust W-2P, or other year-end tax statements, to reflect re-payment of benefits received after December 31. Any adjustment in retirement income required because of repayments received after December 31 will be shown in the calendar year in which the transaction was completed.

715:10-17-10. Effective date of OAC 715:10-17-1 through 715:10-17-9 [REVOKED]

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93]

715:10-17-11. Special waiver for retirees past age 70 [REVOKED]

[**Source:** Amended at 10 Ok Reg 3879, eff 7-12-93]

715:10-17-12. Earnings report by remitting agencies

Prior to March 15 of each year, each employer covered by the provisions of TRS shall submit a report showing the total earnings received by each individual, member and non-member of TRS, during the previous calendar year. The report provided by the employer shall be a copy of the report prepared and submitted to IRS to report W-2 Tax Statements and other taxable income reportable to IRS and the Social Security Administration. The report will be electronically transmitted to TRS via the Employer Portal and will contain the name, social security number, address and the total earnings paid from all sources from January 1 to December 31 of the year and shall be in the format specified by TRS.

[**Source:** Amended at 27 Ok Reg 1282, eff 5-27-10; Amended at 33 Ok Reg 1112, eff 8-25-16]

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 form 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. In addition, a new Personal Data Form shall be completed and submitted to TRS to return a member to work status.

(3) The form 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 employee or by the employer on the retired member's behalf will be refunded to the 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 member cannot resume benefit payments under this rule and remain employed. The 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 defined in OAC 715:10-9-4.

(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 Title 70, Oklahoma Statutes, Section 17-116.10 [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.

[**Source:** Added at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[2]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[3]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 33 Ok Reg 1112, eff 8-25-16, Amended at 35 Ok Reg 2123, eff 9-14-18; Amended at 36 Ok Reg 1267, eff 8-11-19]

715:10-17-14. Termination and Resumption of Benefit Payments

When a member returns to employment in a position that requires suspension of benefit payments, the following will apply:

(1) If the member commences employment after the 15th of the month the benefit payment for that month will be paid at the end of the month.

(2) If the member commences employment on or before the 15th of the month the benefit payment for that month will not be due and must be refunded if paid to the member.

(3) If the member terminates employment on or before the 15th of a month and the Teachers' Retirement System is notified prior to the 20th of the month the benefit payment for that month will be paid at the end of the month.

(4) If the member terminates employment after the 15th of a month the benefit payment for than month will not be due.

[**Source:** Added at 22 Ok Reg 2649, eff 7-11-05]

715:10-17-15. Salary limitations for certain returning classroom teachers

Legislation enacted during the 2017 legislative session allows members who retired on or before July 1, 2017 to return to employment as a classroom teacher for a public school or career technology district with no earnings limitations in certain circumstances. Members seeking to return to employment as a classroom teacher under this provision must meet all of the following requirements:

(1) The member must have been employed as an active classroom teacher as is defined in 70 O.S. § 17-101(27) for at least one full school year immediately prior to their date of retirement. Members employed as superintendents, administrators, or in other non-

classroom teacher positions during the school year immediately preceding retirement are ineligible;

(2) 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;

(3) 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 the twelve (12) consecutive months immediately following the last day of employment prior to their retirement date; and

(4) Prior to the member's return to employment the member must provide to TRS on forms prescribed by TRS, documentation establishing their eligibility under this provision. This documentation must be accepted by and approved by TRS prior to the member commencing employment under this provision.

[**Source:** Added at 34 Ok Reg 793 (as 715:10-1-15), eff 7-28-17 through 9-14-18 (emergency); Amended at 35 Ok Reg 2124, eff 9-14-18]

715:10-17-16. Post retirement employment with the State Department of Education

A retired member of TRS who becomes employed by the State Department of Education (SDE) for the first time on or after November 1, 2019 ("eligible employee"), shall have the option to remain a member of TRS subject to any applicable post retirement limitations placed on retired members returning to work or may choose to participate in the Oklahoma Public Employees Retirement System (OPERS) as an active member with such eligible employee's participation in OPERS being subject to the laws governing OPERS.

(1) An eligible employee shall have thirty (30) days from such eligible employee's initial date of hire with SDE to make a one-time irrevocable written election to remain a member of TRS subject to post retirement limitations or to participate in OPERS as an active member. If an eligible employee fails to make an election within the thirty-day period such eligible employee shall be subject to post retirement earnings limitations prescribed by laws governing TRS. If an eligible employee elects to participate in TRS, then SDE shall pay both the employee and employer contributions to TRS as required by law.

(2) If an eligible employee makes the election to participate in OPERS such eligible employee shall not participate in TRS as an active member nor make employee contributions to TRS. In addition, SDE shall not make employer contributions to TRS. The eligible employee and SDE shall pay the applicable contribution rates as provided by the laws governing OPERS.

(3) An eligible employee who elects to participate in OPERS shall be ineligible for participation in TRS so long as such eligible employee remains employed by SDE. If such eligible employee assumes a different position, which is governed by a state retirement system other than OPERS or TRS, the eligible employee shall be subject to the retirement system rules applicable to that new position. However, such eligible employee shall not be eligible for service credit in TRS for service performed while participating in OPERS.

[**Source:** Added at 37 Ok Reg 2250, eff 9-11-20]

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Subchapter 19 - Tax-Sheltered Annuity Program [REVOKED]

715:10-19-1.	Authority for program [REVOKED]
715:10-19-2.	General description [REVOKED]
715:10-19-3.	Eligible employees [REVOKED]
715:10-19-4.	Program requisites [REVOKED]
715:10-19-5.	Contributions [REVOKED]
715:10-19-6.	Calculation of exclusion allowance [REVOKED]
715:10-19-7.	Methods of computing maximum Program contribution [REVOKED]
715:10-19-8.	Distributions [REVOKED]
715:10-19-9.	Withdrawals for financial hardship [REVOKED]
715:10-19-10.	Example of tax-shelter earnings [REVOKED]
715:10-19-11.	Rollovers from Program to other eligible retirement plans [REVOKED]
715:10-19-12.	The Oklahoma Teachers' Deferred Savings Incentive Plan Fund [REVOKED]
715:10-19-13.	Contributions from the Oklahoma Teachers' Deferred Savings Incentive Plan Fund into Program accounts of active contributing TRS members [REVOKED]

715:10-19-1. Authority for program [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1583, eff 08-26-21]

715:10-19-2. General description [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[2]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1584, eff 08-26-21]

715:10-19-3. Eligible employees [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[2]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 15 Ok Reg 48, eff 9-4-97 (emergency); Amended at 15 Ok Reg 3481, eff 7-15-98; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1584, eff 08-26-21]

715:10-19-4. Program requisites [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1584, eff 08-26-21]

715:10-19-5. Contributions [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[2]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 15 Ok Reg 48, eff 9-4-97 (emergency); Amended at 15 Ok Reg 3481, eff 7-15-98; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1584, eff 08-26-21]

715:10-19-6. Calculation of exclusion allowance [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Revoked at 19 Ok Reg 2729, eff 7-11-02]

715:10-19-7. Methods of computing maximum Program contribution [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 25 Ok Reg 2598, eff 7-11-08; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1586, eff 08-26-21]

715:10-19-8. Distributions [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[2]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 15 Ok Reg 48, eff 9-4-97 (emergency); Amended at 15 Ok Reg 3481, eff 7-15-98; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 20 Ok Reg 382, eff 10-16-02 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 25 Ok Reg 2598, eff 7-11-08; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1587, eff 08-26-21]

715:10-19-9. Withdrawals for financial hardship [REVOKED]

[**Source:** Amended at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)[2]; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1588 eff 08-26-21]

715:10-19-10. Example of tax-shelter earnings [REVOKED]

[**Source:** Revoked at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Revoked at 12 Ok Reg 3285, eff 7-27-95]

715:10-19-11. Rollovers from Program to other eligible retirement plans [REVOKED]

[**Source:** Added at 11 Ok Reg 4409, eff 7-14-94 through 7-14-95 (emergency)[1]; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1589, eff 08-26-21]

715:10-19-12. The Oklahoma Teachers' Deferred Savings Incentive Plan Fund [REVOKED]

[**Source:** Added at 17 Ok Reg 204, eff 9-8-99 (emergency); Added at 17 Ok Reg 3071, eff 7-13-00; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1589, eff 08-26-21]

715:10-19-13. Contributions from the Oklahoma Teachers' Deferred Savings Incentive Plan Fund into Program accounts of active contributing TRS members [REVOKED]

[**Source:** Added at 17 Ok Reg 204, eff 9-8-99 (emergency); Added at 17 Ok Reg 3071, eff 7-13-00; Amended at 27 Ok Reg 131, eff 10-2-09 (emergency); Amended at 27 Ok Reg 1282, eff 5-27-10; Revoked at Ok Reg38 1590, eff 08-26-21]

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Subchapter 21 - Investment Policy [REVOKED]

715:10-21-1. Investment of funds [REVOKED]
715:10-21-2. Statement of investment policy [REVOKED]
715:10-21-3. Investment guidelines [REVOKED]
715:10-21-4. Portfolio assets allocation [REVOKED]
715:10-21-5. Cash equivalents guidelines [REVOKED]

715:10-21-1. Investment of funds [REVOKED]

[**Source:** Amended at 19 Ok Reg 2729, eff 7-11-02; Revoked at 27 Ok Reg 1282, eff 5-27-10]

715:10-21-2. Statement of investment policy [REVOKED]

[**Source:** Amended at 25 Ok Reg 566, eff 12-14-07 (emergency); Amended at 25 Ok Reg 2598, eff 7-11-08; Revoked at 27 Ok Reg 1282, eff 5-27-10]

715:10-21-3. Investment guidelines [REVOKED]

[**Source:** Revoked at 25 Ok Reg 566, eff 12-14-07 (emergency); Revoked at 25 Ok Reg 2598, eff 7-11-08]

715:10-21-4. Portfolio assets allocation [REVOKED]

[**Source:** Amended at 19 Ok Reg 2729, eff 7-11-02; Revoked at 25 Ok Reg 566, eff 12-14-07 (emergency); Revoked at 25 Ok Reg 2598, eff 7-11-08]

715:10-21-5. Cash equivalents guidelines [REVOKED]

[**Source:** Revoked at 25 Ok Reg 566, eff 12-14-07 (emergency); Revoked at 25 Ok Reg 2598, eff 7-11-08]

Subchapter 23 - State and Education Employees Group Health and Dental Insurance Program

715:10-23-1.	State and Education Employees Group Health and Dental Insurance Program
715:10-23-2.	Monthly health insurance premium supplement paid by the Teachers' Retirement System
715:10-23-3.	Participating education employers not enrolled in the State and Education Employees Group Insurance Plan
715:10-23-4.	Retired members who return to employment
715:10-23-5.	Retired members ineligible for health insurance supplement
715:10-23-6	Health Insurance Contribution

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

Members of Teachers' Retirement 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 Program. The retiring member must conform to rules and regulations promulgated by the State and Education Employees Group Insurance 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 Employees Group Insurance Board.

[**Source:** Amended at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Amended at 11 Ok Reg 4251, eff 7-25-94; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[2]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 25 Ok Reg 2598, eff 7-11-08]

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

Teachers' Retirement 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 plan 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 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 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.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[2]; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 25 Ok Reg 2598, eff 7-11-08]

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

In accordance with 74 O.S., Section 1316.3, as amended, Teachers' Retirement 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 that a retired member will remain enrolled in the insurance plan provided by the employer.

(2) Each month Teachers' Retirement 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 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 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 at least thirty (30) days prior to the effective date of the change.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)[2]; Amended at 21 Ok Reg 3099, eff 8-12-04]

715:10-23-4. Retired members who return to employment

A retired member who returns to employment in the public schools of Oklahoma and becomes eligible for health insurance coverage as a regular employee of a participating education employer will cease to be eligible for the health insurance supplement paid by Teachers' Retirement for the period of time the member is enrolled or eligible to be enrolled in the participating education employer's group insurance plan. Upon termination of eligibility for coverage as a regular employee, the health insurance premium supplement will be resumed.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94]

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

Retired members who are not enrolled in either the State and Education Employees Group Health Insurance 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 are not eligible for the insurance supplement.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 25 Ok Reg 2598, eff 7-11-08]

715:10-23-6. Health Insurance Contribution

(a) The Oklahoma Teachers' Retirement System shall contribute the amount required by law towards the cost of health insurance coverage under the State and Education Employees Group Insurance 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 Plan, the System will contribute the amount required by law after the group insurance plan has made application to the System 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. The subsidy shall be paid in arrears for each eligible retired member.

(c) As provided under 70 O.S. Section 17-108(13), 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 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 (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 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.

[Source: Added at 30 Ok Reg 1481, eff 7-1-13]

Subchapter 25 - Qualified Domestic Order

715:10-25-1. Definition
715:10-25-2. Filing a qualified domestic order
715:10-25-3. Contents of qualified domestic order
715:10-25-4. Payment to alternate payee
715:10-25-5. Termination of a qualified domestic order
715:10-25-6. Teachers' Retirement not subject to ERISA [REVOKED]

715:10-25-1. Definition

The term "qualified domestic order" means an order issued by a district court of the State of Oklahoma pursuant to the domestic relations laws of this state which relates to the provision of marital property rights to a spouse or former spouse of a member and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to receive a portion of the benefits payable with respect to a member of the Teachers' Retirement System.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12; Added at 33 Ok Reg 1113, eff 8-25-16]

715:10-25-2. Filing a qualified domestic order

A TRS member, his or her legal representative, a member's former spouse, or his or her legal representative may file a qualified domestic order with TRS. In not less than thirty (30) days of such filing, TRS will acknowledge receipt and notify all parties listed in the order that the order has been accepted or that clarification of the order must be provided to TRS. All qualified domestic orders filed with TRS must be in accordance with Oklahoma Statutes and must conform to the provisions of 70 O.S., Section 17-109, as amended. An approved Qualified Domestic Order is available on the TRS website and its use is recommended.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 25 Ok Reg 2598, eff 7-11-08; Revoked at 29 Ok Reg 869, eff 8-1-12; Added at 33 Ok Reg 1113, eff 8-25-16; Amended at 36 Ok 1268, eff 8-11-19]

715:10-25-3. Contents of qualified domestic order

For a qualified domestic order to be accepted and binding on the Teachers' Retirement System the order meet the following requirements:

(1) The order must clearly specify the following:
  (A) the name and last-known mailing address (if any) of the member and the name and mailing address of the alternate payee covered by the order,
  (B) the amount or percentage of the member's benefits to be paid by Teachers' Retirement to the alternate payee,
  (C) the number of payments or period to which such order applies,
  (D) the characterization of the benefit as to marital property rights, and whether the benefit ceases upon the death or remarriage of the alternate payee, and
  (E) each plan to which such order applies.

(2) The order meets the requirements of this section only if such order:
  (A) does not require Teachers' Retirement to provide any type or form of benefit, or any option not otherwise provided under the state law as related to the Retirement System,
  (B) does not require Teachers' Retirement to provide increased benefits,
  (C) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a qualified domestic order or an order recognized by the Retirement System as a valid order prior to the effective date of this subchapter, and

(D) does not require payment of benefits to an alternate payee prior to the actual retirement date of the related member or prior to the date the member elects to receive a lump sum distribution of his or her retirement account.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12; Added at Ok Reg 1113, eff 8-25-16]

715:10-25-4. Payment to alternate payee

Payments to an alternate payee will be made in a like manner and at the same time payment is made to the member. Payment will be either a lump sum distribution of the contributions and interest due the member upon termination of service or death, or monthly benefit payments under the retirement options available to the member at the time he or she applies for retirement benefits. The alternate payee shall not be allowed to choose a method of payment that is different from the method chosen by the member. The alternate payee may not receive payment of any kind prior to the member making application and becoming eligible for payment of benefits. Federal and Oklahoma state income taxes will be withheld from the payment to an alternate payee in accordance with applicable federal and state statutes.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12; Added at 33 Ok Reg 1113, eff 8-25-16]

715:10-25-5. Termination of a qualified domestic order

A qualified domestic order will terminate when Teachers' Retirement has fully met the provisions of the order. The obligation of the Teachers' Retirement System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member. In the event a qualified domestic order requires the benefits payable to an alternate payee to terminate upon the remarriage of the alternate payee, the Retirement System shall terminate said benefit only upon the receipt of a certified copy of a marriage license, or a copy of a certified order issued by the court that originally issued said qualified domestic order declaring the remarriage of said alternate payee. The order may be cancelled or modified by the court that originally issued the order.

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12; Added at 33 Ok Reg 1114, eff 8-25-16]

715:10-25-6. Teachers' Retirement not subject to ERISA [REVOKED]

[**Source:** Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)[1]; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 870, eff 8-1-12]

