



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

## Employer Manual

May 1, 2015

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## Introduction

### **Purpose - Manual**

Employers play an enormous role when it comes to the retirement of OTRS Clients, and it continues throughout their careers. Our goal with this manual is to provide you with the resources you need to most easily and correctly administer your duties to your employees and our clients, and to OTRS.

In general, the functions of OTRS follow a straightforward cycle. If a Client meets the requirements for membership (see section on Eligibility), they may elect to join OTRS or will be required to join based on their job classification. Upon joining, the Client's membership date is established as the date the initial contribution is remitted to their OTRS account.

Employers remit monthly contributions on the Client's regular annual compensation at the current statutory contribution rate. This is done on behalf of the Client as either a true fringe benefit or an employee payroll deduction. In addition, the law requires employers to contribute a percentage into the OTRS General Fund.

During their lifetime, Clients may be eligible for a number of events including withdrawal of their account from the System, purchasing of service credit, and ultimately, drawing a lifetime monthly retirement benefit.

Following the established timelines on page 53 of this Manual, a Client may request an estimate of benefits from OTRS. The Client Services staff will audit the Client's account to determine years of service credit and the career average salary upon which retirement benefits are calculated.

Employers are involved in helping the Client to establish a relationship with OTRS as they are normally the first to introduce the Client to the System. They also have an important responsibility in determining eligibility for membership, ensuring contributions are remitted timely and accurately, and providing the Client with the necessary information to prepare for and optimize their future retirement.

As you can see from this brief summary, the employer plays a crucial role in the Client Service Cycle, which ultimately, affects the OTRS Client's retirement from beginning to end.

We hope you will find this information helpful as you perform your very important duties for OTRS Clients. As always, please feel free to contact us with any questions you may have.

## Contact Information

Oklahoma Teachers Retirement System		Phone	Email
<u>Physical Address</u> 2500 N Lincoln Blvd 5 <sup>th</sup> Floor Oliver Hodge Oklahoma City OK 73105  <u>Mailing Address</u> PO Box 53524 Oklahoma City OK 73152  <u>Website</u> www.ok.gov/TRS		(405) 522-3130  (877) 738-6365	<a href="mailto:helpdesk@trs.ok.gov">helpdesk@trs.ok.gov</a>
Employer Reporting	Debra Plog, Manager Rocky La Marr, Analyst	(405) 522-3130	<a href="mailto:helpdesk@trs.ok.gov">helpdesk@trs.ok.gov</a>
Employment Payment Processing	Kaleb Jones	(405) 521-3462	<a href="mailto:Kaleb.Jones@trs.ok.gov">Kaleb.Jones@trs.ok.gov</a>
Installment Payments	Jessica Malloy	(405) 522-8847	<a href="mailto:Jessica.Malloy@trs.ok.gov">Jessica.Malloy@trs.ok.gov</a>
Retirement Benefits	Frances Rogers	(405) 522-6310	<a href="mailto:Frances.Jackson@trs.ok.gov">Frances.Jackson@trs.ok.gov</a>
Post Retirement Employment	Sherrie Kinney	(405) 522-6295	<a href="mailto:Sherrie.Kinney@trs.ok.gov">Sherrie.Kinney@trs.ok.gov</a>
Death Benefits	Dennis Latham	(405) 522-5834	<a href="mailto:Dennis.Latham@trs.ok.gov">Dennis.Latham@trs.ok.gov</a>
Withdrawals	Lisa Miranda	(405) 522-5347	<a href="mailto:Lisa.Miranda@trs.ok.gov">Lisa.Miranda@trs.ok.gov</a>

## About OTRS

The Oklahoma Teachers Retirement System (OTRS) is a defined-benefit pension serving Oklahoma Educators and those whose primary work is associated with providing education to Oklahoma.

The Defined Benefit Plan is qualified under Section 401(a) of the Internal Revenue Code. Eligible retirees of the System's 401(a) plan receive a monthly benefit throughout their lifetime through a formula based on years of service and the final average salary of the client. The formula gives retirees a percentage of their salary as a retirement benefit. The more years of service the client has at retirement, the greater the percentage of salary the client will receive at retirement.

## Funding Sources

OTRS receives funding from three main sources: Employer Contributions, Employee Contributions and Dedicated Revenue. The funding sources are broken down below for the year ended June 30, 2014:

Type	Amount	Percentage
Employee Contributions	\$301,300,811	30%
Employer Contributions	\$411,247,958	41%
Dedicated Revenue	<u>\$295,804,717</u>	29%
Total	\$1,008,353,486	

## Board of Trustees Composition

The members of the Oklahoma Teachers Retirement System Board of Trustees are specified in [O.S 70 § 17-106](#) as follows:

Oklahoma Teachers Retirement System Board of Trustees	
Appointing Authority	Requirement
Governor	Higher Education Representative
Governor	Non-classified Optional Personnel
Governor, Coterminous	Public or Private Funds Management Experience, or Banking Experience or Law Experience, or Accounting Experience
Governor, Coterminous	
Governor, Coterminous	
Governor, Coterminous	
Senate Pro Tempore	Active Classroom Teacher
Senate Pro Tempore	Retired Member
House Speaker	Active Classroom Teacher
House Speaker	Retired Member
Ex Officio	State Superintendent or designee
Ex Officio	OMES Director or designee
Ex Officio	Career-Tech Director or designee
Retired Educators Association (non-voting)	Representative of Retired Educators Association

## Employer Information

### Employer Responsibilities

The rights and obligations of OTRS clients and employers are governed by Oklahoma State Law Title 70 and OTRS Administrative Rules. Employers are encouraged to have the current copies of both of these documents. This can be found and downloaded from the OTRS website.

[http://www.ok.gov/TRS/Rules\\_&\\_Statutes/index.html](http://www.ok.gov/TRS/Rules_&_Statutes/index.html)

It is the responsibility of each OTRS employer to do the following:

- Enroll clients in OTRS membership as required by Oklahoma law.
- Remit employee and employer contributions to OTRS.
- Provide required information for current employees on which contributions are remitted.
- Provide OTRS with periodic information in a timely and accurate manner.
- Identify any OTRS retirees who have returned to work and remit required post-retirement contributions.

### Charter Schools

Charter schools may become members of TRS under the following provisions:

- The governing board of the charter schools must apply for membership.
- The Board of Trustees must approve the membership.
- Upon approval by the Board, the Charter School and its employees shall follow all statutes and administrative rules of TRS including mandatory membership of all classified personnel.
- Contributions paid for the first year of membership may begin the month membership is approved or “caught up” to the beginning of the employment year. For example, if membership is approved in November, the Charter School will have 2 choices:
  - Begin contributions in November which will award a fraction of service credit to its employees, or
  - Catch up contributions from the beginning of the employment year. In this case, full-time employees can earn a full year of service credit.

#### Governance

##### [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 anytime subsequent to such employment.

## Membership

It is the responsibility of employers to determine the eligibility of their employees and to enroll them accordingly. Membership is divided into 3 categories: Classified (mandatory), Non-classified (optional), and Ineligible.

### **Classified (Mandatory) TRS Membership**

- All classified personnel are to become members of OTRS as a condition of their employment regardless of the number of hours worked or the age of the employee.
- The term “classified” is not to be confused with “certified”.

- The following employees are considered to be “classified personnel” and are required to be members of the Teacher’s Retirement System with the exception of employees of Comprehensive Universities subject to the Alternative Retirement Plan:
  - Any teacher, principal, superintendent, supervisor, administrator, librarian, certified or registered nurse, college professor, or college president whose salary is paid wholly or in part from public funds.
  - Any employee of any state department, board, board of regents or board of trustees, who is in a supervisory or an administrative position, the function of which is primarily devoted to public education (at the discretion of the Board of Trustees of the Teachers Retirement System).
- The term “teacher” also includes instructors and counselors employed by the Department of Corrections and holding valid teaching certificates issued by the State Department of Education. Provided that a person employed by the Department of Corrections as an instructor or counselor shall have been actively engaged in the teaching profession for a period of not less than three (3) years prior to employment to be eligible to participate in OTRS. The Department of Corrections shall contribute the employer’s share to OTRS.

#### Governance

##### [O.S. 70 § 17-103 Membership of Retirement System](#)

(1) All classified personnel shall become members of the retirement system as a condition of their employment;

##### [O.S. 70 § 17-101 Definitions](#)

(3) “Classified personnel” shall mean any teacher, principal, superintendent, supervisor, administrator, librarian, certified or registered nurse, college professor, or college president whose salary is paid wholly or in part from public funds. An employee of any state department, board, board of regents or board of trustees, who is in a supervisory or an administrative position, the function of which is primarily devoted to public education, shall be considered classified personnel under the meaning of this act, at the discretion of the Board of Trustees of the Teachers’ Retirement System. The term “teacher” shall also include instructors and counselors employed by the Department of Corrections and holding valid teaching certificates issued by the State Department of Education. Provided, that a person employed by the Department of Corrections as an instructor or counselor shall have been actively engaged in the teaching profession for a period of not less than three (3) years prior to employment to be eligible to participate in the Oklahoma Teachers’ Retirement System. The Department of Corrections shall contribute the employer’s share to the Oklahoma Teachers’ Retirement System.

## Non-Classified (Optional) TRS Membership

Non-classified personnel who are eligible for membership, may join OTRS if they so choose

- Non-classified optional personnel include teacher's aides, cooks, janitors, non-supervisory maintenance personnel, bus drivers, non-certified or non-registered nurses, non-certified librarians and clerical employees.
- The function of the employee must be primarily devoted to public education.
- The salary of the employee must be paid wholly or in part from public funds.
- Employee must work 20 hours or more per week.
- Employee must be in a non-supervisory position.
- Non-classified members may opt out of membership while continuing employment. See section on "Optional Withdrawal" for more information on the consequences of an optional withdrawal from membership.
- Retirees of OTRS are not required to be active members of OTRS but may choose to suspend their monthly retirement benefits and return to active contributing status. See section on "Post Retirement Employment" for more information.

### Governance

#### [O.S. 70 § 17-101 Definitions](#)

(4) "Non-classified optional personnel" shall include cooks, janitors, maintenance personnel not in a supervisory capacity, bus drivers, noncertified or nonregistered nurses, noncertified librarians, and clerical employees of the public schools, state colleges, universities or any state department, board, board of regents or board of trustees, the functions of which are primarily devoted to public education and whose salaries are paid wholly or in part from public funds.

#### [715:10-1-4. Optional TRS membership](#)

(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 a 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 [O.S 70 § 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

## Ineligible for TRS Membership

The following employees are ineligible to be members of the Teacher’s Retirement System:

- Non-classified employees working less than 20 hours per week
- Substitute, irregular, seasonal, graduate assistant, fellowship recipient, adjunct supplemental or temporary employees
- Consultants or contractors as approved by OTRS
- Student employees
- Employees whose compensation comes from federal or other funds and is not administered by an Oklahoma public education employer (not paid by the employer on a state warrant)
- Employees hired after July 1, 1991 who are covered by another federal, state, county or local public retirement plan
- Employees of non-governmental employers
- Employees of the University of Oklahoma or Oklahoma State University who elected to participate in the alternate retirement plan

### [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.

## Enrolling in TRS

Enrollment in TRS will be two-fold: Electronically through the Employer Portal and hard-copy through completion and submission of the Personal Data Form. New employees are automatically enrolled with the first monthly submission. This information must match the information submitted on the Personal Data Form. Personal information submitted by employers will be used in the OTRS file for that employee. It is imperative that employers submit accurate personal information for every employee on every report.

### Electronic Enrollment through Monthly Submission Reports

Every monthly submission report made through the Employer Portal should contain accurate and up-to-date information on each employee. The first submission will enroll the employee in OTRS but subsequent submissions will update the employee's information if any changes are made. The personal information to be submitted is:

- Tax number and tax number type: In almost all cases, this will be the Social Security Number and will be type "S".
- First Name, Middle Name, Last Name and Suffix. Middle Name and Suffix may be blank if non-applicable.
- Birth Date: Format is YYYY-MM-DD
- Gender
- Address1, Address2, City, State, Zip Code. Address2 may be blank if not applicable.

### Personal Data Form

Effective July 1, 2015, OTRS will require completion and submission of a Personal Data Form for every new employee and for employees making a personal information change. The form is available on the OTRS website at <http://ok.gov/trs/>. The form should be completed under the following circumstances:

- New employees
- Employees transferred from another district or educational institution
- Employees who have changed any portion of their personal information (i.e. name change, address change, beneficiary change, position change, etc.)

Forms may be mailed to PO Box 53524 Oklahoma City OK 73152 or faxed to 405-522-2521. Do not email the form.

## Contributions for Membership Service

Employers are required to submit a number of contributions both on behalf of their employees and as fees for their participation in the system. These contributions are based on the employee’s regular annual compensation.

### Contribution Rates

Employment Year	Employee	Federal Match	Employer		Post Retirement Statutory Fee		Higher Education Surcharge
			K-12 Schools, Career Tech, 2-Year Colleges & State Agencies (EESIP eligible)	Comprehensive & Regional 4-Year Colleges & Universities (non EESIP)	K-12 Schools, Career Tech, 2-Year Colleges & State Agencies (EESIP eligible)	Comprehensive & Regional 4-Year Colleges & Universities (non EESIP)	
2016	7.00%	8.25%	9.50%	8.55%	16.50%	15.55%	2.50%
2015	7.00%	8.25%	9.50%	8.55%	16.50%	15.55%	2.50%
2014	7.00%	8.25%	9.50%	8.55%	16.50%	15.55%	2.50%
2013	7.00%	8.00%	9.50%	8.55%	16.50%	15.55%	2.50%
2012	7.00%	7.00%	9.50%	8.55%	9.50%	8.55%	2.50%
2011	7.00%	6.50%	9.50%	8.55%	9.50%	8.55%	2.50%

### Summary of Contribution Types

- **Employee contributions:** contributions required to be paid by the employee. In some cases this is also paid by the employer. This amount is what makes up a member’s account throughout their membership. This is also commonly referred to as the “Before-Tax” or “Employee Paid” contributions. All OTRS members are required to contribute 7% of their regular annual compensation.
- **Federal matching:** fee paid on all compensation paid from federal funds.
- **Employer Statutory Contributions:** contributions required to be paid by the employer.
- **Post Retirement Statutory Fee:** Contributions paid on all employees who are retirees of OTRS and is a total of both employee and employer contributions.
- **Higher Education Surcharge:** contributions paid on all employees who participate in the alternate retirement plan.

## Employee Contributions

### Regular Annual Compensation

Regular annual compensation is defined in [O.S 70 § 17-101 \(25\)](#) as the salary plus fringe benefits (excluding the Flexible Benefit Act) on which each client's contribution to OTRS is based.

### Eligible Compensation

- Staff development
- Tax-sheltered annuities and other pension plan contributions
- Retirement contributions
- Group health, disability and life insurance (excluding the Flexible Benefit Act)
- Any other "fringe benefits" (i.e. bonuses, stipends, etc) paid to all qualified employees of the school

### Ineligible Compensation

- Expense reimbursement payments
- Office, vehicle, housing or other maintenance allowances
- Flexible benefit allowance
- Payments for unused vacation and sick leave
- Payment made for termination or retirement including a contract buy-out
- Payment earned as a contractor or consultant (as approved by OTRS)
- Payments made outside an employment agreement
- Non-periodic performance bonus
- OUHSC or OSU-CHS Professional Practice Plan
- Any other compensation not described in [O.S 70 § 17-101 \(25\) \(a\) through \(c\)](#) such as professional dues, National Certification, one-time retention incentive pay or partial compensation while on temporary total disability

## Governance

### [O.S. 70 § 17-101 Definitions](#)

(25) "Regular annual compensation" means salary plus fringe benefits, excluding the flexible benefit allowance pursuant to Section 26-105 of this title and for purposes pursuant to [Section 17-101 et seq. of this title](#). For purposes of this definition, regular annual compensation shall include:

- (a) salary which accrues on a regular basis in proportion to the service performed, including payments for staff development,
- (b) amounts that would otherwise qualify as salary under paragraph (a) of this subsection but are not received directly by the member pursuant to a good faith, voluntary written salary reduction agreement in order to finance payments to a deferred compensation or tax-sheltered annuity program or to finance benefit options under a cafeteria plan qualifying under the United States Internal Revenue Code, 26 U.S.C., Section 101 et seq.,
- (c) group health and disability insurance, group term life insurance, annuities and pension plans, provided on a periodic basis to all qualified employees of the employer, which qualify as fringe benefits under the United States Internal Revenue Code, and
- (d) excluded from regular annual compensation are:

1. expense reimbursement payments,
2. office, vehicle, housing or other maintenance allowances,
3. the flexible benefit allowance provided pursuant to [Section 26-105 of this title](#),
4. payment for unused vacation and sick leave,
5. any payment made for reason of termination or retirement not specifically provided for in subparagraphs (a) through (c) of this subsection,
6. maintenance or other nonmonetary compensation,
7. payment received as an independent contractor or consultant, pursuant to a lawful contract which complies with the requirements of subsection B of [Section 6-101.2 of this title](#),
8. any benefit payments not made pursuant to a valid employment agreement,
9. compensation for clinical related activity performed in the University of Oklahoma Health Sciences Center (OUHSC) Professional Practice Plan or Oklahoma State University Center for Health Sciences (OSU-CHS) Professional Practice Plan,
10. any other compensation not described in subparagraphs (a) through (c) of this subsection.

**Contributions Required on All Eligible Compensation**

Contributions must be paid on the total compensation (Regular Annual Compensation) of participating members. The member will not receive service credit for a year of employment until the balance of contributions, including contributions required by the employer, is received by OTRS.

Total compensation means salary and benefits from all eligible sources which includes

- Federally-subsidized programs under the direct administration of a public school
- Salaries earned by an employee for extra duties
- Pay to a teacher who also drives a school bus
- Members of TRS who are working part-time for another school
- Members employed on a regular basis who are employed by the same or different school in a summer school or night school program.

Member contributions are to be paid on a pre-tax basis.

State Credit offset will apply to some employees as described in the next section.

Non-classified employees who desire to join TRS mid-year but who have been employed the full year must make retroactive contributions from the beginning of that school year.

- Contributions cannot be paid on only a fraction of the employee’s total compensation for that year.
- The membership date will be the date the first payment is received.
- The member will not receive credit for a year of service credit until the balance of contributions, including contributions required by the employer, are received by TRS.
- The employee will have the option to “catch up” missing contributions or wait to join at the beginning of the following year.

[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.

## State Credit Off-Set

State statutes provide that every teacher employed by a school district or vocational-technical 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 to the Teachers Retirement System. Funds have been appropriated to the State Board of Education and the State Board of Vocational and Technical Education to pay the State's share of each eligible employee retirement contribution.

### State Credit Summary

- State credit is an offset of member contributions. The amount of the offset cannot exceed the amount of the member contribution.
- "Teacher" includes all personnel who qualify for the state's minimum salary schedule. This includes administrators and other "certified" personnel.
- The amount of the offset is based on teaching experience. It is not based on retirement service credit.
- Use total experience allowed by the State Department of Education as shown on the Annual Personnel Report.
- Do not use more than five years of military service credit or out-of-state teaching experience.
- State credit is to be divided by the number of pay periods in the employee's

## Governance

### 715:10-13-3. Employee contribution rates

(c) Every teacher employed by any school district or Career and Technology Education 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 to the Teachers' Retirement System. The State of Oklahoma shall pay an annual amount for each fiscal (or plan) year as follows:

- (1) 0 years of service = \$60.15
- (2) 1 year of service = \$103.41
- (3) 2 years of service = \$145.65
- (4) 3 years of service = \$188.15
- (5) 4 years of service = \$233.33
- (6) 5 years of service = \$278.76
- (7) 6 years of service = \$325.26
- (8) 7 years of service = \$372.82
- (9) 8 years of service = \$421.44
- (10) 9 years of service = \$471.12
- (11) 10 years of service = \$521.87
- (12) 11 years of service = \$573.67
- (13) 12 years of service = \$626.54
- (14) 13 years of service = \$680.48
- (15) 14 years of service = \$735.47
- (16) 15 years of service = \$791.53
- (17) 16 years of service = \$848.65
- (18) 17 years of service = \$906.83
- (19) 18 years of service = \$966.07
- (20) 19 years of service = \$1,026.38
- (21) 20 years of service = \$1,087.75
- (22) 21 years of service = \$1,150.18
- (23) 22 years of service = \$1,213.68
- (24) 23 years of service = \$1,278.23
- (25) 24 years of service = \$1,343.85
- (26) 25 or more years of service = \$1,410.53

(d) Each school district or Career and Technology Education school district shall adjust each eligible employee's monthly contribution to the Teachers' Retirement System 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 the Teachers' Retirement System 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.

contract and the monthly credit to be added to the teacher's compensation. Payment begins with the first full month of employment. The teacher forfeits the state's contribution to his or her retirement account if employment terminates prior to the end of the school year.

- If the eligible client is employed less than full time, the state credit must be prorated.
- Calculate the eligible client's retirement contribution in the regular manner and subtract the monthly credit to be paid by the state. School districts must adjust their payroll procedures to include the monthly credit and adjust remittance reports to OTRS to reflect the amount paid by the school and the credit taken as a result of the state payment.
- If a school pays the teacher's retirement contribution in addition to other compensation, the school must reduce the appropriate amount from the teacher's monthly retirement contribution and add that amount to the teacher's net pay. The amount paid by the state to the client's retirement account cannot be treated as regular annual compensation or count as compensation toward meeting the minimum salary schedule of the state or the local school district's pay plan.
- If a school deducts the teacher's retirement contribution from the teacher's gross salary, the school must decrease the amount of the retirement deduction by the appropriate amount, which will cause an amount equal to the state credit to be added to the teacher's net pay.
- Taxable income will increase by any amount added to an employee's wages. The tax status of compensation in any form other than wages will depend upon IRS regulations.
- The employer statutory contribution will still be calculated on each client's regular annual compensation.
- Federal matching for those employees whose salary is paid in whole or in part by federal funds will continue to be calculated in the usual manner.
- The amount paid by the state to client accounts is not wages for federal or state income taxes or wages for purposes of FICA taxes (IRS issued a favorable ruling that the amount paid by the state is not subject to FICA taxes).

### State Credit Amounts

Years of Service	Credit Amount	Years of Service	Credit Amount
0	\$60.15	13	\$680.48
1	103.41	14	735.47
2	145.65	15	791.53
3	188.15	16	848.65
4	233.33	17	906.83
5	278.76	18	966.07
6	325.26	19	1,026.38
7	372.82	20	1,087.75
8	421.44	21	1,150.18
9	471.12	22	1,213.68
10	521.87	23	1,278.23
11	573.67	24	1,343.85
12	626.54	25 or more	1,410.53

## Calculating State Credit for Employee Contributions

### A. Calculate Total Compensation and Retirement Contributions

The contribution rate for the 2015-2016 school year remains 7% of total regular annual compensation. If the school district is paying the retirement contribution as a fringe benefit (whether in addition to wages and other benefits or as a salary reduction), use the factor .075269 instead of .07 to correctly calculate the retirement contribution on the retirement benefit.

### B. Calculate the State Credit of Employee's Contribution

1. Determine total experience for each eligible employee. This is the total experience shown on the State Department of Education's (SDE) Annual Personnel Report. The experience shown on the Annual Personnel Report does not include experience for the current year. In other words, the experience shown on the 2015-2016 report does not include experience for 2015-2016. *(Do not use total experience established for a local pay schedule if it is different from SDEs experience count, and do not use total creditable service shown on OTRS' annual statement to each client. OTRS creditable service does not include service withdrawn by the client or out-of-state service unless payments have been made by the client to establish these types of credits.)*
2. Calculate the state credit by matching each eligible employee's experience against the credit amount schedule.
3. Divide the annual state credit by the pay periods provided in each eligible employee's contract. If the employee is hired after the start of the school year, the state credit begins with the first full month of employment.
4. Prorate the benefit to those employees working less than full time (i.e. half-time employees are entitled to only 50% of the allowable benefit).
5. Calculate the retirement contribution in the same manner as previous years, using the 7% contribution rate. Subtract the monthly state credit from the amount to be remitted to OTRS and add the same amount to the eligible employee's wages or other compensation. *(An amount equal to the State Credit must be added back in some manner to the eligible employee's wages and/or benefits. The amount paid by the State cannot be treated as salary or fringe benefits for purposes of determining the minimum salary required by 70 O.S. § 18-114.7 or for purposes of meeting the requirements of any locally adopted salary schedule).*

### C. Report Each Client's Retirement Contribution on the Monthly OTRS Remittance Report

**Note:** The state credit does not require an increase in total compensation paid by the school district. The school pays less to OTRS because the state pays part of the employee's contribution. The school deducts less from the employee's pay, which is added to the employee's net pay.

***How the State's Payment to an Eligible Employee's Retirement Account Works***

Example 1: *If School Deducts OTRS Contribution from Gross Salary for teacher with 25 years:*

	<u>Before Statute</u>	<u>After Statute</u>
Gross salary and other benefits <i>(including OTRS)</i>	\$32,412	\$32,412
State Contribution <i>(from SB776)</i>	0	1,411
OTRS Retirement Contribution <i>(7% x Salary)</i>	<u>(2,269)</u>	<u>( 858)</u>
Net Pay and Benefits <i>(excluding OTRS Contribution)</i>	\$30,143	\$31,554

Example 2: *If School Pays OTRS Contribution in Addition to Salary and Benefits for a teacher with 25 years:*

	<u>Before Statute</u>	<u>After Statute</u>
Gross Salary and other benefits <i>(excluding OTRS)</i>	\$32,412	\$32,412
State Contribution <i>(from SB776)</i>	0	1,411
OTRS Retirement Contribution <i>(7.5269% x Salary)</i>	<u>2,440</u>	<u>1,029</u>
Total Compensation <i>(including OTRS Contribution)</i>	\$34,852	\$34,852
Net Salary and Benefits <i>(before deductions for taxes)</i>	\$32,412	\$32,412
State Contribution <i>(from SB776)</i>	<u>0</u>	<u>1,411</u>
Net Pay and Benefits <i>(excluding OTRS Contribution)</i>	\$32,412	\$33,823

***Two or More Employers in Same Employment Year***

Members who are employed by two or more employers in the same employment year will still be subject to the limit based on their years of experience. When state credit is reported for a member who also has state credit reported by a different employer, Warning S072 will alert employers that another employer is also reporting state credit. Although Warning S072 will not prevent a report from being submitted, it should not be ignored. Details of the amount that has been submitted by another employer will warn of a possible overage in state credit. If the total of state credit for all employers reaches or exceeds the limit, Error S068 will prevent submission of the report.

## Calculating Retirement Contributions

When determining a client's contribution for any payroll period, the employer must consider the *total* amount of compensation earned. The contribution is to be calculated on this total compensation, which must include fringe benefits, before any deductions such as tax-sheltered annuities, income tax, FICA, etc.

If the retirement contribution is paid as a *fringe benefit*, that contribution *also must be calculated as part of the client's compensation*. If the contribution is paid as part of a fringe benefit package, the employer must adjust the contribution to include the employee's monthly salary, plus fringe benefits, which must include the retirement contribution itself. The following are examples of how a retirement contribution should be determined:

Example 1 When the employer does not pay the Teachers' Retirement contribution		
	<u>Annual</u>	<u>Monthly</u>
Salary (from all sources)	\$30,000.00	\$2,500.00
Total fringe benefits	<u>3,600.00</u>	<u>300.00</u>
Total compensation	\$33,600.00	\$2,800.00
Multiply by .07	<u>.07</u>	<u>.07</u>
Total retirement contribution	\$ 2,352.00	\$ 196.00
Total compensation credit for retirement	\$33,600	
Example 2a When the employer pays part of the Teachers' Retirement contribution (example assumes employer pays contribution up to \$25,000 level and employee pays contribution on compensation above \$25,000)		
<i>If compensation is less than or equal to \$23,250</i>		
(In this example .075269 is used because employer is paying the first \$1,750.00 of the client's required contribution).		
	<u>Annual</u>	<u>Monthly</u>
Salary and fringe benefits (excluding retirement contribution)	\$23,000.00	\$ 1,916.67
Multiply by .075269	<u>.075269</u>	<u>.075269</u>
Retirement contribution	\$1,731.19	\$144.27
Total compensation credit for retirement	\$24,731.19	

Example 2b When the employer pays part of the Teachers' Retirement contribution (example assumes employer pays contribution up to \$25,000 level and employee pays contribution on compensation above \$25,000)		
<i>If compensation is more than \$23,250, amount paid by employer</i>		
(In this example .075269 is used because employer is paying the first \$1,750.00 of the client's required contribution).		
	<u>Annual</u>	<u>Monthly</u>
Salary and fringe benefits (excluding retirement contribution)	\$30,000.00	\$ 2,500
Retirement contribution paid by employer (7% of \$25,000)	<u>1,750.00</u>	<u>145.83</u>
Total compensation	\$31,750.00	\$2,645.83
Subtract \$25,000 from total	<u>(25,000.00)</u>	<u>(2,083.33)</u>

Leftover	\$6,750.00	\$562.50
Multiply by .07	<u>.07</u>	<u>.07</u>
Retirement contribution on compensation in excess of \$25,000 (a deduction from client's pay)	\$472.50	\$39.38
Plus contribution on compensation up to \$25,000	<u>1,750.00</u>	<u>145.83</u>
Total retirement contribution	\$2,222.50	\$185.21
Total compensation credit for retirement is	\$31,750.00	

Example 3 When the employer pays all of the Teachers' Retirement contribution (and there is no predetermined limit on the total compensation the employee may receive)		
	<u>Annual</u>	<u>Monthly</u>
Salary (from all sources)	\$20,000.00	\$1,666.67
Total fringe benefits (except OTRS)	<u>3,000.00</u>	<u>250.00</u>
Total compensation	\$23,000.00	\$1,916.67
Multiply by .075269	<u>.075269</u>	<u>.075269</u>
Retirement contribution	\$1,731.19	\$144.27
Total compensation credit for retirement	\$24,731.19	

Example 4 When the employer pays all of the Teachers' Retirement contribution (and the employee's total compensation, including fringe benefits, is known before the calculation of the contribution).		
	<u>Annual</u>	<u>Monthly</u>
Total compensation	\$20,000.00	\$1,666.67
Multiply by .07	<u>.07</u>	<u>.07</u>
Retirement contribution	\$1,400.00	\$116.67
Total wages and benefits excluding OTRS contribution*	\$18,600.00	\$1,550.00
Retirement contribution (\$18,600 x .075269)	<u>1,400.00</u>	<u>116.67</u>
Total compensation	\$20,000.00	\$1,666.67
* (If other fringe benefits are to be paid, subtract the value of these benefits from total wages and benefits shown above to obtain the actual wages to be paid).		
(In these examples, .07 is used to find the retirement contribution because the total compensation includes the retirement contribution. The factor .075269 x wages and benefits excluding OTRS contributions are used as a tool to verify the correct retirement contribution).		

### Temporary Total Disability/Workers Compensation Contributions

When an employee receives temporary total disability benefits and qualifies for Workers' Compensation payments, the following criteria will apply:

- Reduced contributions (i.e. 30%) cannot be paid.
- Unreduced contributions based on 100% of the compensation the employee would have received had the employee not been injured may be paid in one of three ways:
  - Through monthly remittance reports during the employee's absence.
  - Caught up through monthly remittance reports after the employee's return during the same employment year. All contributions must be caught up before the close of the employment year.
  - Through a billing process after the employee's return in a subsequent employment year.

Members will not receive service credit for the period of absence unless contributions are paid in full on 100% of the compensation the member would have received had the member not been injured. The Employment Year End Report must reflect only the days on which 100% contributions were paid. If a billing is paid at a later date, the member's service credit will be adjusted at that time.

No fractional service credit can be awarded for the period of absence.

### Workers Compensation Billing

- OTRS must be notified within 4 months of the member's return to work. Notice must be in writing from the member or through completion of a Verification of Oklahoma Service form from the employer.
- Billings will be sent to both the member and the employer for their respective shares of the contributions.
- Balances due may be paid without interest within 60 days of the billing.
- Interest will accrue if balances are not paid after 60 days.
- The member's service credit will be adjusted after both billings are paid in full.

#### 715:10-13-13

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 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 (currently 8% per annum), 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 30 days prior to retirement or termination of employment.

### Extended Leave Contributions

Members cannot purchase service credit for extended leave unless the leave can be documented as being used for the birth or care of a child.

Employers can continue to pay contributions while their employee is on extended leave for the care of a child. If contributions are paid, the employee can receive service credit proportionate to the salary on which contributions are remitted.

- If contributions are paid on 100% of the salary the employee would have received if not on extended leave, the employee will receive 100% service credit.
- If contributions are paid on a fraction (i.e. 30%) of the salary the employee would have received if not on extended leave, the employee will receive that same fraction of service credit.
- If no contributions are paid, no service credit will be received.
- The amount of service on which contributions were paid must be reported correctly on the Employment Year End Report and must match the percentage of contributions paid.
- Leave limited to 90 school days.

If contributions are not paid on the full salary the member would have received while on extended leave for the care of a child, the member may notify OTRS in writing within 30 days of their return that they will pay the actuarial cost of the period of absence.

### Governance

#### [O.S. 70 § 6-104.1. Sick and Extended Leave . Leave without Pay](#)

After exhausting sick leave and extended leave pursuant to Section [6-104](#) and [6-104.5 of Title 70](#) of the Oklahoma Statutes, a full-time teacher who, with the proper approval of the district board of education, takes not more than ninety (90) school days of leave without pay to care for the teacher's child during the first year of the child's life, shall receive full credit for the days on leave with out pay as though the teacher had been on leave with pay for purposes of computing experience for the minimum teacher salary schedule. A teacher on leave without pay pursuant to this section who pays the actuarial cost, as determined by the Board of Trustees of the Teachers' Retirement System, shall have the period during which such leave without pay is taken, counted toward retirement service credit as though the teacher had been on leave with pay. The teacher shall notify their employer and the System in writing within thirty (30) days from the date he or she returns to service that they will pay such actuarial cost. The teacher shall have up to twelve (12) months from the date he or she returns to service to pay such actuarial cost.

### Sabbatical Leave Contributions

Members may receive credit for sabbatical leave performed after July 1, 1990 with the following conditions:

- Member must receive at least one-half pay.
- Member must be on “official sabbatical” granted by the governing board of the employing school or institution.
- Member must notify OTRS in writing of his or her intent to make contributions. Notification must include verification of “official sabbatical” status from employer.
- Contributions must be made within the same employment year and at a rate commensurate with the salary earned as a regular full-time employee in the last preceding year.
- Fractional (half-time) contributions cannot be paid.
- Fractional (half-time) service credit cannot be awarded.
- The Employment Year End Report must reflect only days on which full time contributions were paid. Also, the “Sabbatical” box must be checked.
- Contributions for sabbatical leave performed after July 1, 1990 cannot be “caught up” or purchased at a later date.

#### Governance

##### [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.

See section on Sabbatical Leave Performed Prior to July 1, 1990 for more information on the purchase of sabbatical leave performed before July 1, 1990.

## Federal Matching Funds

Employers of OTRS members whose compensation is paid from federal funds are required to match the contributions of these members on all compensation or that portion of compensation paid from these funds. Payment is to be made at the same time and in the same manner as the members' contributions.

The federal match rate is set by the OTRS Board of Trustees and is currently 8.25% as of April 1, 2015.

Federal matching funds are to be paid on:

- Salaries which are paid by federal funds
- Externally sponsored agreements such as grants, contracts and cooperative agreements
- Salaries funded from revenues other than funds generated from local taxes or revenues originating from the State of Oklahoma.

Federal matching funds are to be paid on all OTRS members including retirees working post-retirement employment.

### [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.

## Employer's Statutory Contribution

All Employers except for 4-year regional and comprehensive universities are required by law to contribute 9.5% of the regular annual compensation of each contributing employee. 4-year regional and comprehensive universities are required to contribute 8.55% of the regular annual compensation of each contributing employee.

Employer contributions are *in addition* to the contribution required by the employee, and in addition to any matching monies required when federal funds or private grants are used to pay a client's salary. Employer contributions must be remitted monthly along with the client's contributions. The employer's contribution will not be deposited into a client's account and will not affect a client's regular annual compensation.

## Post Retirement Employer’s Statutory Contributions

Employers must remit statutory employer contributions on the compensation paid to a retired client *for any reason*, including substitute teaching or officiating at athletic events. If the retiree is paid directly from the employer with an employer warrant (even if the funds come from an activity fund) the statutory fee is to be paid.

If the retiree is paid with a warrant directly from an activities fund such as Band Boosters or Touchdown Club, rather than with an employer warrant, the statutory fee will not be paid.

The rate for these contributions is equal to the combined employer and employee rates for non-retired return-to-work Clients.

[O.S. 70 § 17-116.10 - Post-Retirement Employment Retirement Benefits - Limitations](#)

4. A member shall be considered to be employed by a school district to perform the duties ordinarily performed by classified or nonclassified personnel if the member is hired by the school district in the member's individual capacity to perform the duties or if the member performs the duties through employment with a proprietorship, partnership, corporation, limited liability company or partnership, or any other business structure that has agreed or contracted to provide the services to the school district.

## Higher Education Surcharge

Comprehensive Universities who have established an alternative retirement plan can allow traditional members of OTRS to forego their membership to OTRS and join their system. The university however must still pay OTRS an additional funding surcharge, commonly referred to as the “higher education surcharge”. This rate is determined by the Board of Trustees based on the actuarial cost of the plan to OTRS. This surcharge is **2.5%** of the regular annual salary of all members of the alternative plan to be submitted to OTRS on a monthly basis. For more information, see section on Alternate Retirement Plan for Comprehensive Universities as well as O.S. 70 § 17-201 through O.S. 70 § 17-208.

## Reporting

All reports and submissions are made through the Employer Portal on the OTRS website at <https://mas.trs.ok.gov/Account/LogOn>. The portal can also be accessed from the OTRS website at <http://ok.gov/trs/> by clicking the Employers tab then clicking Employer Portal.

### Employer Portal

The Employer Portal is the key component to communication between employers and OTRS. All reports and submissions are made through the portal. In addition, the Portal is a useful source of information for employers.

#### Log On

The user name and password for each employer is provided and maintained by OTRS. For assistance regarding Log On, contact the OTRS Employer Reporting Helpdesk at (405) 522-3130 or [helpdesk@trs.ok.gov](mailto:helpdesk@trs.ok.gov).

The OTRS Employer Portal supports the following web browsers:

- Internet Explorer 10+
- Fire Fox 31+
- Chrome 36+
- Safari 5+

Problems may occur if older versions of these browsers or any different browsers are used.

#### Tabs

##### *Home*

The Home Dashboard gives an overview of the status of contributions and yearly reports.

##### Employment Year

The employment year is designated using the drop-down menu. Only information for that employment year will display on the Home Dashboard. If it appears that information is missing, be sure to double check that the correct employment year has been designated.

##### Contribution Overview

The large box in the center of the Home Dashboard is a month-by-month overview of all contributions paid in the designated employment year regardless of the submission date. If two separate submissions are made for one month, the two submissions will be added together and shown as one total for that month. This is very helpful when determining that all monthly contributions as well as any adjustments have been made correctly. If contributions are missing, a warning will appear to call attention to the overview.

### Tax Form Box

The Tax Form box will give the status of the yearly Tax Form report for the designated year. To view the status of a different year, use the drop-down employment year box to designate the desired year. The report can be viewed by clicking the confirmation number.

### Employment Year End Report Box

The Employment Year Report box will give the status of the yearly Employment Year End Report for the designated year. To view the status of a different year, use the drop-down employment year box to designate the desired year. The report can be viewed by clicking the confirmation number. If it appears the report has not yet been submitted, be sure to check the designated employment year.

### Submission Overview Box

All monthly reports can be accessed from this box. The last 5 monthly submissions will be listed on the Home Dashboard. To view all reports click View All. The total shown will be for that individual submission. If more than one month is included in the submission, the month will list “multiple” rather than an individual month.

### Contact Information Box

This box should reflect the current contact information of those who should receive information regarding OTRS reports. If someone is missing, please add that person. If someone changes need to be made (i.e. someone removed or information changed), contact the helpdesk at (405) 522-3130 or [helpdesk@trs.ok.gov](mailto:helpdesk@trs.ok.gov).

### *Monthly*

All monthly submission reports and monthly adjustments are submitted on the Monthly tab. All contributions in the report must be from the same employment year but the report can include multiple months within the same employment year. Detailed instructions are available in the section titled “Monthly Contribution Report”.

### *Tax Forms*

A report of earnings for all employees is due by April 1 of each year. This report is uploaded on the Tax Forms tab and will contain both 1099-R and W2 information for all employees. The report will be uploaded and validated. If the report does not pass validation, errors must be fixed before the report can be submitted. Reports can be uploaded and validated as many times as necessary. The report is not final until it has been submitted to OTRS and a confirmation number is received. More detailed information can be found in the Reports section.

### ***Employment Year End***

A detailed report of compensation and position information is due by November 1 of each year for the previous employment year. For example, the 2015 Employment Year End Report will be due by November 1, 2015. This report is uploaded on the Employment Year End tab and will contain salary and position information for every employee who participated in OTRS. If the report does not pass validation, corrections must be made. A list of errors is available by clicking the View Errors and Warnings button. The report can be reset, uploaded and validated as many times as necessary to pass validation. Once the report passes validation, it will be submitted to OTRS and a confirmation number will be given. More detailed information can be found in the Reports section.

### ***Reports (Information)***

Four informational reports are available for employer use on the Reports tab. The reports will be produced in Excel format and can be a great source of information.

#### ***Employment Year Overview by Member***

This report will give an employee-by-employee listing of information that has been reported for each employment year beginning with 2012. To create a report, select the report name and the desired year and click Create Report. You must have a current web browser and Excel to produce the report. The report will be in Excel format.

#### ***OTRS Contributions by member an Employment Year***

This report will give detailed monthly contributions for 1 employee for 1 employment year. After selected the report name, enter the tax number of the employee without dashes and the desired year. Click Create Report. You must have a current web browser and Excel to produce the report. The report will be in Excel format.

#### ***Member Details by Tax Number***

This report will give membership information for 1 employee. It will tell you the current membership status (i.e. active, retired, withdrawn), date and employer of the most recent contribution. This report is especially helpful in determining post-retirement employment eligibility.

#### ***Service Credit***

Member service credit is now determined by the information submitted by employers. This report provides a listing of service credit awarded to each employee for a specific employment year beginning with the 2014 employment year. Awarded Service Credit will be a total of credit awarded from all employers. Employees with more than 1 employer will possibly have service credit which is larger than expected. This report should be run after submission of the Employment Year End Report. If any problems or questions arise, contact the Employer Reporting Helpdesk immediately.

## Summary of Report Types

- **Monthly Contribution Report:** submitted each month for contributions paid to OTRS on behalf of clients. Reports are due on the 10<sup>th</sup> of the month following the pay period. For example, a July Report is due August 10<sup>th</sup>.
- **Adjustment Report:** submitted to make corrections to Monthly reports. Adjustments cannot be made on the Annual Calendar Year Tax Report or the Employment Year End Report.
- **Annual Calendar Year Tax Report:** Submitted in March for the prior calendar year on all employees.
- **Employment Year End Report:** Submitted after July 1 but before November 1 for the prior employment year on all OTRS clients.

## Monthly Contribution Report

### Monthly Report Preparation

Reports may be prepared by a third party software vendor, by using the Monthly Report Template or by manual encoding in the Portal. [Reporting Requirement Documents](#) are available on the OTRS website.

### Information Requirement

#### HEADER RECORD

Category	Column Name	Description	Data Type	Length	Example
<b>Employer Info</b>	CountyCode	School/employer county code	integer	2	55
	DistrictCode	School/employer district code	text	4	C101
	Vendor	Software vendor used to prepare OTRS submissions	vchar	<=100	"ADPC", "MAS" or other vendor

#### DETAIL RECORD: OTRS PARTICIPANT

Category	Column Name	Description	Data Type	Length	Example
<b>Pay Period Info</b>	PayPeriodYear	Pay period year	integer	4	2010
	PayPeriodMonth	Pay period month	integer	2	10
	EmploymentYear	Employment year	integer	4	2011
<b>Personal Info</b>	TaxNumber	Taxpayer identification number	text	9	987654321
	TaxNumberType	Federal taxpayer identification number type - (S) social security number, (F) federal individual taxpayer identification number, (T) Temporary State Issued Tax Number	text	1	S
	FirstName	First name	text	<=100	Terry
	MiddleName	Middle name	text	<=100	Robert
	LastName	Last name	text	<=100	Teacher
	Suffix	Suffix of name, if applicable (Jr, Sr, etc)	text	<=10	

	BirthDate	Employee date of birth	date		1956-05-02
	Gender	Employee gender - (M or F)	text	1	M
	Address1	Employee address - line 1	text	<=100	500 N. May
	Address2	Employee address - line 2	text	<=100	Apt. # 201
	City	Employee address - city	text	<=50	Oklahoma City
	State	Employee address - state	text	2	OK
	ZipCode	Employee address - zip code	text	<=10	73162
	SDE Experience	Years of Experience reported to SDE for State Credit calculation	integer	<=2	10
<b>Earnings Info</b>	CompensationForPeriod	Regular Annual Compensation as defined in statutes that was paid to the employee during the monthly reporting period. Formerly called "MonthlySalaryPaid"	decimal	10,2	3000.00
	FederalCompensationForPeriod	Compensation that was paid to the employee by federal funding during the monthly reporting period. Formerly called "FederalSalary"	decimal	10,2	1000.00
<b>Contributions</b>	MemberAfterTax	After tax contributions for member, for position	decimal	10,2	0.00
	MemberBeforeTax	Before tax contributions for member, for position	decimal	10,2	170.74
	StateCredit	State credit for member, for position	decimal	10,2	39.26
	EmployerContribution	Employer contribution for position - currently 9.5% of Salary for common ed, 8.55% for higher ed	decimal	10,2	285.00
	FederalMatch	Federal matching funds for position - currently 8.0% of FederalSalary	decimal	10,2	80.00

## DETAIL RECORD: ALTERNATE RETIREMENT PLAN PARTICIPANT

Only to be used by Comprehensive Universities with an Alternative Retirement Plan

Category	Column Name	Description	Data Type	Length	Example
<b>Pay Period Info</b>	PayPeriodYear	Pay period year	integer	4	2010
	PayPeriodMonth	Pay period month	integer	2	10
	EmploymentYear	Employment year	integer	4	2011
<b>Personal Info</b>	TaxNumber	Taxpayer identification number	text	9	987654321
	TaxNumberType	Federal taxpayer identification number type - (S) social security number, (F) federal individual taxpayer identification number, (T) Temporary State Issued Tax Number	text	1	S
	FirstName	First name	text	<=100	Terry
	MiddleName	Middle name	text	<=100	Robert
	LastName	Last name	text	<=100	Teacher
	Suffix	Suffix of name, if applicable (Jr, Sr, etc)	text	<=10	

<b>Earnings Info</b>	CompensationForPeriod	Regular Annual Compensation as defined in statutes that was paid to the employee during the monthly reporting period.	decimal	10,2	3000.00
<b>Contributions</b>	HESC	Higher-education service charge for position - currently 2.5% of CompensationForPeriod	decimal	10,2	75.00

*Sample Template*

## Monthly Employer Report - OTRS Participants

HEADER	
County Code	
District Code	
Vendor	

EMPLOYER INFO				
PayPeriodYear	PayPeriodMonth	EmploymentYear	TaxNumber	TaxNumberType

PERSONAL INFO					
FirstName	MiddleName	LastName	Suffix	BirthDate	Gender

Address1	Address2	City	State	ZipCode

PAYMENT INFO			
SDEExperience	Compensation	FederalCompensation	MemberAfterTax

MemberBeforeTax	StateCredit	EmployerContribution	FederalMatch

If the Monthly Report is prepared using the Template, save the template as an XML data file before uploading.

### *Monthly Report Data Details*

**CountyCode:** County of the employer submitting the report. It is the first 2 digits of the Employer ID.

78 1001

**DistrictCode:** Code of the submitting employer. It is the letter plus the final 3 digits of the Employer ID.

78 1001

**Vendor:** The third party that prepared your monthly report. *None* if report prepared internally.

**PayPeriodYear:** The payroll or calendar year(s) of the report. Reports can contain 2 Pay Period Years. For example December 2015 and January 2016 can be on the same report because they are both in the same 2016 Employment year.

**PayPeriodMonth:** The payroll month(s) of the entry. Multiple months may be included on the same report within the same Employment Year.

**EmploymentYear:** The employment year for which the report is being submitted. Each report can only contain 1 Employment Year.

**TaxNumber:** The unique individual tax number for the employee being reported. For most employees, the TaxNumber will be their Social Security Number. Do not use dashes when entering the TaxNumber.

**TaxNumberType:** The type of individual tax number contained within TaxNumber field. Allowed entries are: (S) social security number, (F) federal individual taxpayer identification number, (T) Temporary State Issued Tax Number.

**FirstName, MiddleName, LastName, Suffix:** The legal name of the employee for whom contributions are being reported. The Suffix field allows separate data field reporting of legal name suffixes (e.g., Jr., II, III). The name on the report will be the name used by OTRS.

**BirthDate:** The date of birth of the employee for whom contributions are being reported. Format: YYYYMMDD. For example, August 17, 1955 will be 19550817.

**Gender:** The gender of the employee for whom contributions are being reported. Format: M or F.

**Address1, Address2, City, State, ZipCode:** Mailing address of the employee for whom contributions are being reported. The address reported will be the address used by OTRS.

**SDE Experience:** Years of Experience reported to SDE for State Credit calculation. Higher Education or entities that do not report to SDE may report 0. This information is available from the State Department of Education. It is not the OTRS retirement service credit.

**CompensationForPeriod:** Regular Annual Compensation (as defined within the *Employer Manual* on page XX) paid to the employee in the current reporting month.

**FederalCompensationForPeriod:** Amount of monthly salary paid from federal funds.

**MemberAfterTax, MemberBeforeTax, StateCredit:** After tax, before tax, and state credit amounts reported on behalf of the member.

**EmployerContribution:** Employer contributions submitted on behalf of employee.

**FederalMatch:** Employer's contribution based on FederalCompensationForPeriod.

**HESC:** Higher Education Service Charge. Mandatory employer contributions, by individual, for higher education employees that opt to participate in the alternative retirement system

### Upload and Submit

- Prepare and upload report. Methods of preparation:
  - Vendor software: The report will be prepared using the application provided by the vendor. After the report has been prepared, click Upload and save. Schema errors are programming or data field errors that must be corrected by the vendor.
  - OTRS reporting documents provided at [www.ok.gov/TRS](http://www.ok.gov/TRS).
  - Manual encoding in the portal: click the Add Contribution button. Enter requested data. Save.
- Add payment. Payment amount must match Total Amount Owed.
  - EFT: Most employers will submit payment at the same time as the report. Click the Add Payment button in the Payments box and add payment information.
  - Wire transfer: If pre-approved by OTRS, payment will be made via wire transfer. Payment must match report uploaded.
- Validate Report
- If the report fails validation, a list of errors that apply to the whole report will appear on the Monthly tab. To view errors and warnings for individual employees, click the View Errors and Warnings button.
  - A warning will not prevent the report from passing validation or from being submitted. But a warning should never be ignored. It is an indication that future problems are possible.
  - An error will prevent the report from passing validation and from being submitted. The error must be corrected before the report can be submitted.
- To make corrections before submission:
  - In most cases, corrections should be made to the original employer records and a new report created. This may require the assistance of the vendor or programmer. Click Reset to delete the bad report. Upload the new report and validate.
  - Changes can also be made directly in the Employer Portal by clicking the Edit pencil. However, changes made directly in the Portal will not be reflected on the original employer records and can cause problems on the year-end report.

- Validate again after all changes have been made.
- Files may be uploaded and validated as many times as necessary. The report is not final until it is submitted.
- After the report passes validation click Submit. A confirmation number will be given. Keep this confirmation number for reference. It is will also be available on the Home Dashboard in the Submission Overview box.

### **Adjusted Monthly Contribution Report**

All adjustments and refunds of monthly contributions are to be made through the Employer Portal. An adjustment report will be created, uploaded, validated and submitted in the same manner as a monthly contribution report.

### ***Adjustment for Refund***

- A refund may be received for contributions paid in error, overpayment of contributions and contributions of less than 6 months.
- Prepare and upload an adjusting report in the same manner as listed above for Monthly Contribution Reports. Reporting Month, Reporting Year and Employer Year must be correct.
- The validation which runs on the adjustment is not for the adjustment alone. It will include all previous payments for the same reporting month and will be validated as a whole contribution.
- Errors
  - X305: OTRS must approve a negative submission.
  - X301: Cannot submit report if Employment Year End Report has already been submitted (previous Employment Year).
    - Contact Employer Reporting Helpdesk for approval
  - E029: Report cannot be before Employment Year 2014
    - Contact Employer Reporting Helpdesk for approval
- Submit the report after it has passed validation.
- OTRS will mail a voucher within 10 working days.

### ***Adjustment with Payment***

- Prepare and upload an adjusting report in the same manner as listed above for Monthly Contribution Reports. Reporting Month, Reporting Year and Employment Year must be correct.
- Add payment
- The validation which runs on the adjustment is not for that adjustment alone. It will include all previous payments for the same reporting month and year and will be validated as a whole contribution.
- Errors
  - X301: Cannot submit report if Employment Year End Report has already been submitted. Contact Employer Reporting Helpdesk for approval
  - E029: Report cannot be before Employment Year 2014. Contact Employer Reporting Helpdesk for approval
- Submit the report after it has passed validation.

- Retain confirmation number for future reference.

### **Zero Net Affect Adjustment**

- Prepare and upload an adjusting report in the same manner as listed above for Monthly Contribution Reports. Reporting Month, Reporting Year and Employment year must be correct.
- The validation which runs on the adjustment is not for that adjustment alone. It will include all previous payments for the same reporting month and year and will be validated as a whole contribution.
- Errors
  - X301: Cannot submit report if Employment Year End Report has already been submitted. Contact Employer Reporting Helpdesk for approval
  - E029: Report cannot be before Employment Year 2014. Contact Employer Reporting Helpdesk for approval
- Submit the report after it has passed validation.
- Retain confirmation number for future reference.

### **Sample Adjustments in Same Employment Year**

<b>Over Reported: Need a Refund</b>				
	Already reported	Correct Amount	Adjustment to Report	Final Result
Compensation	\$3,000	\$3,000	\$0	\$3,000
Federal Compensation	\$2,000	\$0	(\$2,000)	\$0
7% Employee Fee	\$210	\$210	\$0	\$210
9.5% Employer Fee	\$285	\$285	\$0	\$285
8.25% Federal Match	\$165	\$0	(\$165)	\$0
You will receive an error if you report a negative amount or try to get a refund for a previous year. Contact the Helpdesk for approval @ 405-522-3130 or helpdesk@trs.ok.gov.				

<b>Under Reported: Owe More Money</b>				
	Already reported	Correct Amount	Adjustment to Report	Final Result
Compensation	\$2,000	\$4,000	\$2,000	\$4,000
Federal Compensation	\$0	\$2,000	\$2,000	\$2,000
7% Employee Fee	\$210	\$280	\$70	\$280
9.5% Employer Fee	\$285	\$380	\$95	\$380
8.25% Federal Match	\$0	\$165	\$165	\$165
Must pay the difference when submitting the report.				

- Start with the original reported amounts
- Know what the correct amounts should be
- Figure out what adjustment will change the original amount to make it correct

- Report the adjustment to TRS
- TRS will take the amount already reported and add it to the adjustment
- The result should be the correct amount

### *Adjustments Made in Different Employment Years*

- Start with the original reported amounts
- Know what correction should be made
- Prepare a negative report to take the amount reported out of the incorrect year
- Upload the report to TRS for a refund. You will receive an error. Contact the Helpdesk at 405-522-3130 or [helpdesk@trs.ok.gov](mailto:helpdesk@trs.ok.gov). TRS will review the report and approve if in good order.
- TRS will mail a check for refund of the amount paid in error.
- Prepare a new, correct report for the correct year.
- Upload and pay in the correct year.

### **Due Date and Late Fees**

Remittance reports are required for each calendar month. The monthly remittance report should include all contributions for payroll periods ending during the month.

Reports are due by the 10th of the month following the close of the payroll month and are past due 30 days from the end of the payroll month. [O.S. 70 § 17-120](#) requires OTRS to assess a monthly late charge of one and one-half percent (1 1/2%) of the unpaid balance, to be paid by the employer to the Retirement System, if employee and employer contributions are not paid by 30 days from the end of the payroll month.

#### **EXAMPLE:**

The report for the month of June should include all payroll periods ending during June. The report should be labeled June and it is due by July 10. The late charge may be assessed on reports not received by July 31.

#### Governance

##### [O.S. 70 § 17-120 - Deposit of Contributions](#)

The employer of each member shall submit all required school reports and all employer and employee contributions of each member due the Retirement System for payroll periods ending during the calendar month within ten (10) days of the last day of each calendar month. Any required school reports and employer and employee contribution amounts not submitted to the Retirement System after thirty (30) days from the end of the payroll month shall be subject to a monthly late charge of one and one-half percent (1 1/2%) of the unpaid balance to be paid by the employer to the Retirement System compounding monthly for each month payment is not received.

## The Annual Calendar Tax Report

Employers are required to report the total yearly earnings of every employee.

Summary:

- Report is due by March 15 of each year.
- Report will contain total earnings received by each individual employee, both OTRS member and OTRS non-members, for the previous calendar year.
- Reports are to be submitted through the Employer Portal. A separate magnetic media report is no longer required.
- Report both W-2 and 1099-R information on one report.

### Governance

[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 magnetic media report prepared and submitted to IRS to report W-2 Tax Statements and other taxable income reportable to IRS and the Social Security Administration. In lieu of the magnetic media report above, a magnetic media report may be created having 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.

### The Annual Calendar Tax Report Layout:

ANNUAL EMPLOYER REPORT DATA LAYOUT AND ELEMENTS - JUNE 8, 2011						
Header Record						
Category	Column Name	Description	Data Type	Length	Example	Can Be Blank?
Employer Info	CountyCode	School/employer county code	integer	<= 2	55	No
	DistrictCode	School/employer district code	text	= 4	C101	No
	ReportingYear	Reporting Year	integer	= 4	2011	No
	ReportingPeriodType	(C)Calendar Year or (E)Employment Year	text	= 1	E	No
Detail Record						
Category	Column Name	Description	Data Type	Length	Example	Can Be Blank?
Personal Info	TaxNumber	Taxpayer identification number	text	= 9	9876543 21	No
	TaxNumberType	Federal taxpayer identification number type - (S) social security number, (F) federal individual taxpayer identification	text	= 1	S	No

		number, (T) Temporary State Issued Tax Number				
	TaxFormType	(T)1099 or (W)W-2	text	= 1	W	No
	FirstName	First name	text	<= 100	Terry	No
	MiddleName	Middle name	text	<= 100	Robert	Yes
	LastName	Last name	text	<= 100	Teacher	No
	Suffix	Suffix of name, if applicable (e.g., Jr, Sr)	text	<= 10		Yes
<b>Salary Info</b>	GrossAmount	Gross amount paid to individual/organization within reporting period	decimal	10,2	45612.35	No

## The Annual Employment Year End Report

Employers are required to submit a report summarizing the regular annual compensation, position information and days worked for each participating employee for each employment year.

### Summary

- Report is due by November 1 of each year for the previous Employment Year.
- Report will contain information regarding regular annual compensation and detailed position and days worked information for each individual employee who is a participating member of OTRS, including retirees.
- Reports are to be submitted through the Employer Portal.
- Information will be validated against monthly reports submitted throughout the employment year.
- Service credit and contributory salaries of OTRS members will be awarded upon submission of the Employment Year End Report.
- Annual Member Statements will be prepared November 1 of each year. Employees of employers who have not submitted the Annual Employment Year End Report by November 1 will have no service credit reported for that year on their Annual Member Statement. Service credit will be awarded once the report has been submitted.
- See Service Eligibility for more information.

### Governance

#### [715:10-3-1. Requirements for creditable service](#)

... 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. ... 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. ...

## Annual Employment Year End Report Layout

### Header Record

HEADER RECORD					
Category	Column Name	Description	Data Type	Length	Example
Employer Info	CountyCode	School/employer county code	int	2	55
	DistrictCode	School/employer district code	varchar	4	C101
	InstructionalDays	Number of instructional days for the district	int	<=3	180
	Vendor	Software vendor used to prepare OTRS submissions (ADPC, MAS, None, etc.)	varchar	<=100	MAS

### Employer Info

**County Code, District Code:** Codes for employer submitting the report.

**Instructional Days:** This is the baseline minimum number of days that any employee is required to work to receive 1 full year of service credit. It is not actual “instructional” days. No employee who is required to work less than the number of Instructional Days will receive a full year of service credit. For example, if teachers are required to work 175 days but assistants and cooks are required to work 170 days, Instructional Days should be 170.

**Vendor:** The third party that prepared the monthly report. *None* if report prepared internally.

### Detail Record - Salaried

DETAIL RECORD: SALARIED					
Category	Column Name	Description	Data Type	Length	Example
	EmploymentYear	Employment year	int	4	2014
Personal Info	TaxNumber	Taxpayer identification number	varchar	9	987654321
	TaxNumberType	Federal taxpayer identification number type - (S) social security number, (F) federal individual taxpayer identification number, (T) Temporary State Issued Tax Number	varchar	1	S
	FirstName	First name	varchar	<=100	Terry
	MiddleName	Middle name	varchar	<=100	Robert
	LastName	Last name	varchar	<=100	Teacher
	Suffix	Suffix of name, if applicable (Jr, Sr, etc)	varchar	<=10	
	BirthDate	Employee date of birth	date		1962-06-27
	SDEExperience	Years of Experience reported to SDE for state credit purposes	int	<=2	10
Position Info	FlexEligible	Does the position qualify the employee for Flex Benefits?	varchar	1	Y
	FullTimeHoursPerDay	How many full-time hours are worked in a typical work day?	decimal	3,1	6.0
	FullTimeDaysRequired	How many full-time days were required to be worked without reduction in pay?	int	<=3	180
	FullTimeDaysWorked	How many full-time days were worked?	int	<=3	180
	FullTimeDaysPayDocked	How many full-time days were penalized for not working?	int	<=3	0
	PartTimeHoursPerDay	How many part-time hours are worked in a typical work day?	int	<=2	4
	PartTimeDaysRequired	How many part-time days were required to be worked without reduction in pay?	int	<=3	180
	PartTimeDaysWorked	How many part-time days were worked?	int	<=3	180
	PartTimeDaysPayDocked	How many part-time days were penalized for not working?	int	<=3	0
	RegularAnnualCompensation	Regular annual compensation, as defined in the Employer Manual, for the position	decimal	10,2	45000.00
	FederalCompensation	Compensation amount paid by federal funds	decimal	10,2	15000.00
	FirstDayToReport	First day of employment year work was/will be done for the position	date		2013-07-01
	LastDayToReport	Last day of employment year work was/will be done for the position	date		2014-06-30
	TerminationDate	Date the employee terminated work in the position (if applicable)	date		
Sabbatical	Indicates whether any service reported for position has been performed on approved sabbatical (Y/N); must be N for non-higher ed employers	varchar	1	N	
SickLeaveBalance	Balance of sick leave days for employee as of end of employment year. If partial credit, round to the nearest number of days.	int	<=3	95	

**Employment Year:** The employment year for which the report is being submitted.

### Personal Info

**Tax Number:** The unique individual tax number for the employee being reported. For most employees, the Tax Number will be their Social Security Number. This number must match the number used on monthly reports.

**Tax Number Type:** The type of individual tax number contained within Tax Number field. Allowed entries are: (S) social security number, (F) federal individual taxpayer identification number, (T) Temporary State Issued Tax Number.

**First Name, Middle Name, Last Name, Suffix:** The legal name of the employee for whom contributions are being reported. The Suffix field allows separate data field reporting of legal name suffixes (e.g., Jr., II, etc.).

**Birth Date:** The date of birth of the employee for whom contributions are being reported. This date must match the date used in monthly reports.

**SDE Experience:** Years of Experience reported to SDE for State Credit calculation. This will be the years listed on monthly reports. Higher Education or entities that do not report SDE experience will report 0.

### *Position Information*

**Flex Eligible:** Indication as to whether the employee is eligible to receive the flexible benefit allowance provided pursuant to [Section 26-105](#).

**Full Time Hours Per Day:** Number of hours this employee would be expected to work on a typical day in a fulltime capacity during the employment year. Use this field if employee works 6 or more hours per day.

**Full Time Days Required:** Number of days any employee in this position would be expected to work in a fulltime capacity during the entire employment year without receiving a reduction in pay. Use this field if employee works 6 or more hours per day.

**Full Time Days Worked:** Number of days actually worked by the employee in a fulltime capacity during the employment year. Days worked = days paid. Use this field if employee works 6 or more hours per day. See sections on Temporary Total Disability and FMLA for more information if applicable.

**Full Time Days Pay Docked:** 0 for everyone.

**Part Time Hours Per Day:** Number of hours this employee would be expected to work on a typical day in a part-time capacity during the employment year. Use this field if employee works fewer than 6 hours per day. An average of hours worked per day may be used. Hours listed can be a decimal.

**Part Time Days Required:** Number of days any employee in this position would be expected to work in a part-time capacity during the entire employment year without receiving a reduction in pay. Use this field if employee works fewer than 6 hours per day. An average of days worked per week may be used.

**Part Time Days Worked:** Number of days actually worked by the employee in a part-time capacity during the employment year. Days worked = days paid. Use this field if employee works less than 6 hours per day. See sections on Temporary Total Disability and FMLA for more information if applicable.

**Part Time Days Pay Docked:** 0 for everyone.

**Regular Annual Compensation:** Salary plus fringes earned for the year. This amount must match the total compensation on monthly reports.

**Federal Compensation:** The amount of Regular Annual Compensation which was paid using federal funds. This amount must match the amount reported on monthly reports.

**First Day To Report:** First day of employment year in which work was done. This date must match first monthly contribution.

**Last Day To Report:** The last day of employment year in which work was done. This date must match last monthly contribution.

**Termination Date:** Employee termination date for the reported position. This field will be blank if the employee was employed throughout the entire contract period. This date must match last monthly contribution.

**Sabbatical:** Indication of whether a member was contributing while on sabbatical at any point in the employment year.

**Sick Leave Balance:** Balance of sick leave days for employee as of the end of employment year. Fractions cannot be used, round to the nearest full number of days if necessary.

### Detail Record: Hourly

DETAIL RECORD: HOURLY					
Category	Column Name	Description	Data Type	Length	Example
	EmploymentYear	Employment year	int	4	2014
<b>Personal Info</b>	TaxNumber	Taxpayer identification number	varchar	9	987654321
	TaxNumberType	Federal taxpayer identification number type - (S) social security number, (F) federal individual taxpayer identification number, (T) Temporary State Issued Tax Number	varchar	1	S
	FirstName	First name	varchar	<=100	Terry
	MiddleName	Middle name	varchar	<=100	Robert
	LastName	Last name	varchar	<=100	Teacher
	Suffix	Suffix of name, if applicable (Jr, Sr, etc)	varchar	<=10	
	BirthDate	Employee date of birth	date		1962-06-27
	SDEExperience	Years of Experience reported to SDE for state credit purposes	int	<=2	10
<b>Position Info</b>	HoursWorked	Total hours worked in this employment year	int	<=4	1080
	RegularAnnualCompensation	Regular annual compensation, as defined in the Employer Manual, for the position	decimal	10,2	45000.00
	FirstDayToReport	First day of employment year work was/will be done for the position	date		2013-07-01
	LastDayToReport	Last day of employment year work was/will be done for the position	date		2014-06-30
	TerminationDate	Date the employee terminated work in the position (if applicable)	date		

**Employment Year:** The employment year for which the report is being submitted.

### Personal Information

**Tax Number:** The unique individual tax number for the employee being reported. For most employees, the Tax Number will be their Social Security Number.

**Tax Number Type:** The type of individual tax number contained within Tax Number field. Allowed entries are: (S) social security number, (F) federal individual taxpayer identification number, (T) Temporary State Issued Tax Number.

**First Name, Middle Name, Last Name, Suffix:** The legal name of the employee for whom contributions are being reported. The Suffix field allows separate data field reporting of legal name suffixes (e.g., Jr., II, etc).

**Birth Date:** The date of birth of the employee for whom contributions are being reported.

**SDE Experience:** Years of Experience reported to SDE for State Credit calculation. This will be the years listed on monthly reports. Higher Education or entities that do not report SDE experience will report 0.

### Position Info

**Hours Worked:** Total hours worked in this employment year. This is not hours worked per day.

**Regular Annual Compensation:** Salary plus fringes earned for the year. This amount must match the total compensation on monthly reports.

**First Day To Report:** First day of employment year in which work was done. This date must match first monthly contribution.

**Last Day To Report:** The last day of employment year in which work was done. This date must match last monthly contribution.

**Termination Date:** Employee termination date for the reported position. This field will be blank if the employee was employed throughout the entire contract period. This date must match last monthly contribution.

## Additional Information

### 60 Day Break: Mandatory Break between Employment and Retirement

Retirees may return to Oklahoma public education employment after sixty calendar days.

- The last day of pre-retirement employment is the last day the employee is required to be physically present on the job.
- Date of return must be after the retiree's date of retirement.
- Examples:
  - Last day to work is May 28.  
Retirement date is June 1.  
Retiree can return to work July 28.
  - Retiree's last day to work is May 28.  
Retirement date is September 1.  
Retiree can return to work September 2.

#### Governance

##### [O.S. 70 § 17-116.10\(A\)\(1\) Post-Retirement Employment Retirement Benefits - Limitations](#)

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 pre-retirement public-education employment and any post-retirement public-education employment. For purposes of this section, the term "last day of pre-retirement 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. Employment under any conditions during this time, volunteer services for the purpose of obtaining a paid position at a later date, or payment at a later time for services performed during this time period shall cause the forfeiture of all retirement benefits received during the period

### 90 Day Round-up

Employees who have 90 or more days of work experience in their member service history at retirement may round-up the fractional service to a full year if the following criteria are met:

- Member must have 90 or more days of combined work experience at the end of the school year when the member retires
- Member must have 120 days of documented unused sick leave at retirement
- Member must retire at the end of the contract year

If the member works even 1 day into the next employment year, the member will not qualify for the 90-day roundup.

#### Governance

##### [715:10-3-4 Combining fractional years of service](#)

(a) . . . 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.

## Alternate Retirement Plan for Comprehensive Universities

Comprehensive Universities can elect to provide an alternate retirement plan (ARP) for their employees that will supersede the requirement for mandatory membership with OTRS. In this case, there are special provisions which are listed below:

- “Eligible employees” were initially appointed or hired after June 30, 2004 and
  - Must meet the eligibility requirements of the alternate retirement plan
  - Are ineligible if employed as a student (employment which is incidental to their educational program)
  - Are ineligible if employment is not continuous
  - Must make a one-time irrevocable written election to participate in the ARP
- “Electing employees” were initially appointed or hired before June 30, 2004 and
  - Must have been a member of OTRS
  - Must have made a one-time irrevocable written election to cease contributions to OTRS and to participate in the ARP.
- The one-time irrevocable written election signed by both “eligible employees” and “electing employees” is irrevocable and covers all future service with a participating institution regardless of a break in service.
- A copy of the signed election must be submitted to OTRS.

For additional information, refer to [O.S. 70 § 17-201 through O.S. 70 § 17-208](#).

### Governance

#### [O.S. 70 § 17-202 Definitions](#)

The following words and phrases as used in this act shall have the following meanings unless a different meaning is clearly required by the context:

1. "Participating institution" means only the entities that comprise a comprehensive university pursuant to Section 17-101 of Title 70 of the Oklahoma Statutes and which:
  - a. maintain an alternate retirement plan pursuant to the provisions of this act, and
  - b. employ eligible employees;
2. "Alternate retirement plan" means any employee retirement plan that is created solely to provide benefits for eligible employees and electing employees, as defined in this section, for periods of service on or after July 1, 2004. Such retirement plan shall be a plan meeting the requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, operated pursuant to the provisions of this act;
3. "Board of regents" means the board or body designated by the Oklahoma Constitution or by Title 70 of the Oklahoma Statutes as the board of regents or governing board of a comprehensive university that is a participating institution;
4. "Eligible employee" means any employee of a participating institution who (a) was initially appointed or hired after June 30, 2004, and (b) meets the eligibility requirements of the alternate retirement plan of the participating institution that employs the eligible employee. However, the term "eligible employee" does not include a person whose employment is incidental to his or her educational program or whose employment is not continuous. Such eligible employees shall be eligible to participate in the alternate retirement plan if they make a one-time irrevocable written election pursuant to this act;
5. "Electing employee" means an employee of a participating institution hired prior to July 1, 2004, who is a member of the Teachers' Retirement System of Oklahoma and who makes a one-time irrevocable written election pursuant to this act to cease to make employee contributions to the Teachers' Retirement System of Oklahoma and to participate in an alternate retirement plan established by such employee's participating institution pursuant to this act; and
6. "One-time irrevocable written election" means a one-time election made pursuant to this act by an eligible employee or electing employee that shall be in writing and irrevocable and shall cover all future service with a participating institution regardless of a break in service.

## Date of Membership

A client's date of membership determines the normal retirement age and the final average salary calculation from which they can retire and is calculated as of the date the initial contribution is made to TRS under the current membership account.

### Governance

#### [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. 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.

## Disability Retirement

For some members who have 10 years of service and who have applied, there is a provision to provide retirement benefits prior to satisfying the age or rule if the member has been approved by OTRS Medical Board for a disability. The OTRS Medical Board meets monthly and will process all applications for Disability Retirements. For more information regarding Disability Retirement, please contact OTRS. Administrative rules for disability retirement are [715:10-15-15](#) through [715:10-15-22](#).

## EESIP – Education Employees Service Incentive Plan – Wear-Away

The Education Employees Service Incentive Plan (EESIP) provides an incentive to continue service beyond regular retirement eligibility. To participate in the EESIP plan, client must be on the high base cap of \$40,000 for service performed prior to July 1, 1995. EESIP provides an opportunity to wear away the salary cap by moving two years of service from the \$40,000 salary cap tier to the uncapped salary cap tier for each year worked beyond July 1<sup>st</sup> of the school year that regular retirement eligibility is met. Year moves on the 2-for-1 EESIP plan increases the number of uncapped years used in the calculation of the Final Average Salary.

### Qualifiers for EESIP include:

- Actively contributing under a participating employer (elementary and secondary schools, career tech centers, two-year colleges and state education agencies).
- Client must work at least one year past the year regular retirement eligibility is reached.
- Client’s uncapped average salary tier exceeds \$40,000.
- Client’s contributions prior to 7/1/1995 were remitted on maximum compensation level (full salary up to \$40,000).
- Client pays the contribution deficit on years between 1987-88 and 1994-1995 where salary exceeded \$40,000 (high base cap). No balance is due on service years where the salary was less than \$40,000.

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

- (a) Legislation enacted during the Special Session of the 2006 Legislature modified the standard retirement formula for TRS members employed by remitting entities other than comprehensive and regional four-year universities. A member must have been employed by a participating remitting entity for at least one full school year (twelve months) immediately prior to termination of employment or retirement to qualify for this section.
- (b) A TRS 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 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 retiring member who works one year beyond the school year in which he or she reaches normal retirement age 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, he or she may move two (2) additional years of service credit performed prior to July 1, 1995.
- (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 whose 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.
- (l) The provisions of subsections e and f of this section become effective only if additional employer contributions are funded as required by Enrolled House Bill 1179xx.

## FICA Taxes

The amount paid by the State of Oklahoma to an eligible employees' retirement account is not subject to FICA taxes. This applies only to the amount the State of Oklahoma contributes to each eligible employees' retirement account pursuant to O.S. Section [O.S. 70 § 17-108.2](#), and does not affect the tax status of federal income taxes or FICA taxes on wages or benefits paid to or on behalf of an employee by an employer.

Employee contributions to a qualified retirement plan that are "picked-up" by the employer and paid for the employee are "wages" for the purposes of FICA, if there is (or was) any diminution of the client's salary. The Internal Revenue Code subsection 3121 (v)(1)(B) provides generally that wages, for purposes of FICA, includes any amount treated as an employer contribution under IRS Code subsection 414(h)(2), where the pick-up is pursuant to a salary reduction agreement (whether evidenced by a written instrument or otherwise).

Employers should consult with legal and tax advisors on this and all other matters to ensure compliance with IRS requirements.

## Insurance – Employees Group Insurance Division

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 insurance program.

- Rule [715:10-23-1](#) refers to “State and Education Employees Group Health and Dental Insurance Program.” However, the agency name has changed to the Office of Management and Enterprise Services (OMES) Employees Group Insurance Division (EGID).
- Insurance is provided through EGID.
- Members will enroll in the insurance program through their employer’s insurance coordinator or directly with EGID.
- Members do not enroll in insurance through OTRS.
- EGID 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 EGID.
- EGID Insurance premiums may be deducted from the monthly retirement benefit of retirees. The premiums are deducted in arrears (i.e. July’s insurance premium is deducted from the July benefit which is paid August 1).
- EGID contact information
  - 3545 NW 58<sup>th</sup>, Ste 110, Oklahoma City OK 73112
  - (405) 717-8780 or toll free (800) 752-9475
  - [www.sib.ok.gov](http://www.sib.ok.gov)

### Governance

#### [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.

**Insurance Premium Supplement Paid by OTRS**

OTRS will supplement the health insurance premium of retirees provided the following criteria are met.

**EGID Insurance**

- OTRS will pay a monthly supplement for each retired member who is enrolled in the health insurance plan provided by EGID.
- The supplement will not be paid for dental, life or any type of insurance other than health.
- The member must retire with at least 10 years of service credit.
- The premium deducted from the retiree’s monthly benefit payment will be reduced by the amount of the supplement.
- Payment for the supplement will be sent directly to EGID.

**Employer-sponsored insurance**

- OTRS will pay a monthly supplement for each retired member who is enrolled in the health insurance plan sponsored by their employer.
- The supplement will not be paid for dental, life, or any type of insurance other than health.
- The member must retire with at least 10 years of service credit.
- The employer must notify OTRS of the member’s enrollment.
- Payment for the supplement will be sent directly to the employer.
- The employer will notify OTRS of the monthly premium charged for Medicare supplement insurance.

**Amount of supplement**

Final Average Salary	Less than 15 years	15-24 years	25 years and up
Less than \$20,000	\$103	\$104	\$105
\$20,000-\$39,999	\$102	\$103	\$104
\$40,000 & up	\$100	\$101	\$102

**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.

**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.

### *Ineligible for Supplement*

- A retired member who returns to public education employment and is eligible for health insurance coverage as a regular employee.
- Retired members who are not enrolled in either EGID insurance or employer-sponsored insurance.
- Retired members who for any reason are not receiving a monthly retirement benefit.

### **Post Retirement Earnings Limits**

For a retiree who has returned to work, during the first 36 months of retirement, there are limits on the amount of money they can make per calendar year from a member institution. The retirement status of an employee can be determined by running the “Member Details by Tax number” report from the Employer Portal.

- Earnings limits apply to all income from institutions of Oklahoma public education including positions previously ineligible for active contributions such as employment as a substitute or unclassified positions working less than 20 hours per week.
- The flexible benefit allowance does not apply to earnings limits.
- For retired members under the age of sixty-two (62) years, the limit on allowed earnings is the lesser of \$15,000.00 or one-half (1/2) of the member's final average salary.
- For retired members sixty-two (62) years of age or older the limit on allowed earnings is the lesser of \$30,000.00 or one-half (1/2) of the member's final average salary.
- Retirees who have been retired for more than 36 months are exempt from earnings limits.

Unless the client returns to active contributing status, the Employer Statutory Fee for Retirees must be paid regardless of the earnings limit of length of time retired.

### Governance

#### [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

#### [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.

#### [O.S. 70 § 17-116.10\(A\) Post-Retirement Employment Retirement Benefits - Limitations](#)

2. Unless otherwise provided in paragraph 3 of this subsection, 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 from the public schools of Oklahoma for employment for the performance of duties ordinarily performed by classified or nonclassified personnel 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 from the public schools of Oklahoma for the performance of duties ordinarily performed by classified or nonclassified personnel 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. For purposes of this paragraph, the following shall apply:

## Retirement

### Eligibility

Members are eligible for retirement when they have reached the minimum requirements for their plan, or when they are vested and reach the required age. The specific requirements are based on the Membership Date of the member and fall under 1 of 3 plans, Rule of 80, Rule of 90 or Rule of 90/Minimum 60.

A member achieves their “Rule” when their age plus years of service equal 80 or 90. For example a member who falls under the Rule of 80 plan and who turned 60 with 20 years of service, is eligible for unreduced retirement. This is commonly referred to as having 80 “points”. Members under Rule of 90/Minimum 60 must also be at least age 60.

Also, if a member has not satisfied the requirement of their “Rule” but is vested, they are eligible to retire with unreduced benefits if they reach the age of 62, for members under Rule of 80 and Rule of 90, and age 65 if they are under the Rule of 90/60.

One important thing to remember is that a vested member can retire with an unreduced benefit if they have reached the points required or age required, whichever is earlier. See table below for summary:

Retirement Plan	Membership Date	Points Required	Age Required
Rule of 80	Prior to 7/1/1992	80	62
Rule of 90	On or after 7/1/1992 and before 11/1/2012	90	62
Rule of 90 / Minimum 60	On or after 11/1/2012	90, minimum age of 60	65

### Other requirements for retirement

- Member must cease employment in the public education institutions of Oklahoma and wait 60 days before returning to public education employment.
- Member must apply for retirement and meet all deadlines and requirements as outlined on page 51.

### Governance

#### O.S. 70 § 17-101 Definitions

(24) "Normal retirement age" means the earliest date upon which:

- (a) a member reaches the age sixty-two (62) with respect to a member whose first creditable service occurs prior to November 1, 2011, unless the member reaches a normal retirement date pursuant to subparagraph (c) or subparagraph (d) of this paragraph, or
- (b) a member reaches the age of sixty-five (65) with respect to a member whose first creditable service occurs on or after November 1, 2011, or with respect to a member whose first creditable service occurs on or after November 1, 2011, reaches a normal retirement date pursuant to subparagraph (d) of this paragraph having attained a minimum age of sixty (60) years, or
- (c) the age at which the sum of a member's age and number of years of creditable service total eighty (80), with respect to a member whose first creditable service occurred prior to July 1, 1992, and who does not reach a normal retirement age pursuant to subparagraph (a) of this paragraph, or
- (d) the age at which the sum of a member's age and number of years of creditable service total ninety (90), with respect to a member whose first creditable service occurred on or after July 1, 1992, but prior to November 1, 2011, if the member does not reach a normal retirement age pursuant to subparagraph (a) of this paragraph.

### Early Retirement

Members can qualify for early retirement with a reduced benefit as set by the Board of Trustees.

Current requirements are as follows:

Rule of 80: Age 55 and vested

Rule of 90: Age 55 and vested

Rule of 90/Minimum 60: Age 60 and vested

The amount of the reduction will be based on the age of the member at the time of retirement.

### Retirement Calculation

The retirement formula can be simply described as:

$$2\% \times \text{Final Average Salary (FAS)} \times \text{years of creditable service}$$

However, many factors can have a profound effect on the monthly retirement benefit of OTRS members. Members who wish to obtain an estimate of future retirement benefits should contact OTRS for an estimate following Timelines on page 53.

### Vesting

Vested members are entitled to receive a life-time monthly retirement benefit upon reaching retirement eligibility as described above. In addition, they will be granted an indefinite extension of membership in OTRS. The account of a vested member will remain open until the member retires, withdraws contributions or benefits are paid to the member's beneficiary upon the death of the member.

Military, out-of-state and unused sick leave cannot be used for vesting.

### 10 Year Vesting

- Membership date prior to July 1, 2003
- Account closed before July 1, 2003 due to inactivity
- Purchased service can be used for vesting

#### Governance

##### [O.S. 70 § 17-116.2 \(A\) Retirement Allowance – Calculation – Contribution Rates and Benefits](#)

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

#### Governance

##### [7:15:10-7-1. 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 membership 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.

### 5 Year Vesting

- Membership date on or after July 1, 2003
- Membership date before July 1, 2003 but account did not close due to inactivity before July 1, 2003 (account was open as of July 1, 2003).
- Purchased service cannot be used for vesting
- Members whose accounts closed prior to July 1, 2003 are not eligible for 5 year vesting.

### Applying for Retirement

OTRS has developed timelines for retirement that meet statutory requirements and which are designed to retire members on their desired retirement date. If these timelines are not met, it is possible that retirement will be delayed. Under no circumstances will exceptions be granted to submission of the retirement contract no later than 30 days prior to retirement.

Governance

[O.S. 70 § 17-101 Definitions](#)  
 (30) "Retirement contract" means the document prepared by the Teachers' Retirement System upon member request, which incorporates member's selected retirement option, and which must be executed and submitted to the Teachers' Retirement System no less than thirty (30) days prior to the projected retirement date.

### Retirement Timelines

TO RETIRE ON	Pay Bill Balances, Submit PIV or Request Revised Estimates No Later Than	Submit Intent to Retire and Employer Retirement Verification No Later Than	Submit Retirement Contract and Payment Authorization No Later Than	Last Day of Active Employment No Later Than	First Retirement Payment Deposited On
Jan 1	Oct 1	Nov 1	Dec 1	Jan 10	Feb 1
Feb 1	Nov 1	Dec 1	Jan 1	Feb 10	Mar 1
Mar 1	Dec 1	Jan 1	Feb 1	Mar 10	April 1
April 1	Jan 1	Feb 1	Mar 1	April 10	May 1
May 1	Feb 1	Mar 1	April 1	May 10	June 1
June 1	Mar 1	April 1	May 1	June 10	July 1
July 1	April 1	May 1	June 1	July 10	Aug 1
Aug 1	May 1	June 1	July 1	Aug 10	Sept 1
Sept 1	June 1	July 1	Aug 1	Sept 10	Oct 1
Oct 1	July 1	Aug 1	Sept 1	Oct 10	Nov 1
Nov 1	Aug 1	Sept 1	Oct 1	Nov 10	Dec 1
Dec 1	Sept 1	Oct 1	Nov 1	Dec 10	Jan 1

**To Retire On:** Retirement dates fall on the first day of each month. The age of the client within the first ten days of the month is accepted by OTRS as the client age on the first day of the month. For example, if the client will be age 55 on July 10, OTRS accepts client as age 55 on July 1.

**Pay Bill Balances, Submit PIV or Request Revised Estimates No Later Than:** Submit a PIV (Pre-Retirement Information Verification) and request documentation to receive a retirement estimate. After a PIV is on file, revised estimates may be requested following the same timeline.

After PIV submission or client request, one of the following will be mailed to the client:

- **Projection:** includes a range of several years and is provided if requested retirement date is more than 1 year into the future.
- **Hypothetical Estimate:** includes unpaid service and billings and any other hypothetical possibility that can affect retirement. Cannot be used to begin the retirement process.
- **Intent to Retire (ITR):** used to begin the retirement process. The ITR cannot include unpaid balances.

**Submit Intent to Retire and Employer Retirement Verification No Later Than:** The Intent to Retire (ITR) is the signed intention to retire and will designate client's choice of retirement plan and partial lump sum option if applicable. The ITR must be signed by both the client and spouse if married. A Retirement Contract packet will be mailed after the ITR has been received. The Employer Retirement Verification (ERV) form is to be completed by the employer.

**Submit Retirement Contract and Payment Authorization No Later Than:** The signed and notarized Retirement Contract and Benefit Payment Authorization (tax withholding and direct deposit designation) are due to OTRS no later than 30 days prior to retirement. The PLSO Distribution Election form can be submitted at any time. Benefit payments may be adjusted after final remittances are received.

**Last Day of Active Employment No Later Than:** If client's last day of work is no later than the tenth day of the month, the client may retire the first day of the same month. However, if the client qualifies for the 90-day (75%) round up provision, then employment must terminate at the end (last day) of the final contract year. Terminating employment before or after the last day of the final year disqualifies this provision.

**First Retirement Payment Deposited On:** The first benefit payment is direct deposited to the client's account one month after the retirement date. Benefits are paid in arrears the first day of the following month. For example, January retirement benefits (minus taxes and health insurance for the month of January) are deposited to clients' accounts February 1. Insurance premiums are also deducted in arrears. The insurance premium for the month of January is deducted from the retirement benefit received February 1.

## Employer Retirement Verification (ERV)

During the retirement process, employers must verify final information prior to the end of the employment year. This verification is accomplished through submission of the ERV.

- The information on the ERV must match the information submitted on the Employment Year End Report.
- If changes occur after submission of the ERV, a revised form must be submitted.
- If a member works into the following year, a second ERV must be completed. For example, a member who retires August 1 will have one ERV for the last full year of employment plus a second ERV for the partial year worked before retirement. Even if the member only works 1 day into the new year, a second ERV must be completed.

Sample ERV with instructions:

<b>EMPLOYER RETIREMENT VERIFICATION</b>		
<b>(To be completed by Employer and signed by the Employee)</b>		
		Retirement Date: 3/1/2014
Dear Client,		
<b>1.</b>	<b>This form must be completed and returned with the <i>Intent To Retire</i> enclosed in this packet.</b>	
I request to terminate employment for at least 60 days and file for retirement under the provisions of Oklahoma Statutes Title 70 Schools.		
SIGNATURE OF EMPLOYEE	TITLE OF POSITION	DATE
<b>EMPLOYER'S AUTHORIZATION (This section is to be completed by Employer or School Official)</b>		
EMPLOYMENT HISTORY FOR CURRENT CONTRACT YEAR OR FISCAL YEAR:		
<b>2.</b>	Is this employee's position considered full time or part time?	<input type="checkbox"/> Full Time <input type="checkbox"/> Part Time
<b>3.</b>	How many hours is this employee required to work in a typical work day?	_____
<b>4.</b>	How many days is this employee required to work in a typical week?	_____
<b>5.</b>	How many days were required to be worked without reduction in pay (total days in a full contract year)?	_____
<b>6.</b>	How many days were worked without reduction in pay (including paid holidays)?	_____
<b>7.</b>	How many days were required to be worked with reduction in pay (e.g., Workers' Comp. and LWOP)?	_____
<b>8.</b>	How many days were performed on approved Sabbatical? (Higher Education employees only)	_____
<b>9.</b>	First day of the final employment year in which work was done for the position?	____/____/____ (mm/dd/yyyy)
<b>10.</b>	Last day of the final employment year in which work will be done for the position?	____/____/____ (mm/dd/yyyy)
<b>11.</b>	Date the employee terminated work in the position?	____/____/____ (mm/dd/yyyy)
REGULAR ANNUAL COMPENSATION FOR CURRENT CONTRACT YEAR OR FISCAL YEAR:		
<b>12.</b>	Compensation, as defined in the Employer Manual for the position?	\$ _____
<b>13.</b>	Compensation earned for the number of days to be worked by end of year?	\$ _____
VERIFICATION OF UNUSED SICK LEAVE: <i>(Do not complete this section if client has previously retired with OTRS.)</i>		
Please return actual sick leave records with this form indicating the current balance of all sick leave including the balance of transferred sick leave for retirement purposes. Round hours to the nearest number of days.		
<b>14.</b>	Balance of Sick Leave days to be used for retirement purposes?	_____ Days
<b>15.</b>	<b>(Revisions may be necessary and will be accepted upon termination of employment.)</b>	
I HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE ABOVE INFORMATION IS TRUE AND CORRECT.		
SIGNATURE AND TITLE OF SCHOOL OFFICIAL	EMAIL ADDRESS	SCHOOL SEAL
EMPLOYER	PHONE	
PLEASE RETAIN A COPY OF THIS FORM FOR YOUR RECORDS. IF ANY OF THE ABOVE INFORMATION SHOULD CHANGE BY THE DATE OF RETIREMENT, EDIT AND RETURN THIS FORM TO OUR OFFICE IMMEDIATELY. <b>Revisions will not affect client's retirement date.</b>		

### Employer Retirement Verification Instructions

1. This signature line was added to inform the client they must terminate employment and cannot be employed with an OTRS participating employer for 60 Calendar days after their employment has terminated with their retiring employer.
2. *Full Time Employment:* Client is employed 6+ hours per day.  
*Part Time Employment:* Classified Employees are employed no more than 5.9 hours per day. Support or Unclassified Employees are employed no less than 4 hours per day, but less than 6 hours per day.
3. Some employees work different hours each day, it may be necessary to use an average of hours worked each week to determine how many hours per day are worked.
4. Some employees work different hours each week, it may be necessary to use an average of days worked each month to determine how many days are worked each week.
5. This is the number of contract days required to fulfill this employee's full contract year. I.e. a teacher may work 180 days; a year-round maintenance employee may work 260/261 contract days.
6. This is the number of days the employee was actually paid to work with NO reduction in pay including holidays. Partial service credit awarded will be based on this number over the number of contracted days reflected in #5. I.e. if the teacher was contracted for 180 days, but was only paid for 100 days due to leave without pay, the service credit awarded will be  $100/180 = .56$  for the year.
7. This represents the number of days the employee was not paid when absent as in the case of "Leave without pay" or while absent on "Workers Compensation" requirements. This does not include when payment was used to reimburse substitute pay.
8. Sabbatical leave must be submitted through OTRS prior to service being taken.
9. This is the first contracted work day of the employee's work calendar. I.e. the first day of a teacher's contract may be August 13th; Maintenance employee July 1st.
10. This is the last contracted work day of the employee's work calendar. I.e. the last day of a teacher's contract may be May 27th ; Maintenance employee June 30th.
11. OTRS uses the date of termination as a guideline to not only determine if the contract year was completed but also to verify the date of termination is no more than 10 days past the requested date of retirement. Clients may work up to the 10<sup>th</sup> of the month to retire on the first of the month.
12. This salary will be the total the employee will be paid if the employee works their entire contracted year.  
*Regular Annual Compensation* - Salary used for calculating the retirement benefit. Regular annual compensation is defined as wages plus employer-paid fringe benefits (not flexible benefit allowance paid by other sources).
13. This salary is the amount the employee will be paid for the number of days worked. If the employee does not work the entire contracted year, this amount will be less than the amount shown above. If the employee works the entire contracted year, this salary will be the same as above.
14. Sick leave must be verified. OTRS cannot award any sick leave credit without proper verification.
15. Revisions may be necessary to submit to OTRS if the retiree uses more than 10 days of sick leave after this form has been submitted to OTRS. Partial service credit is now awarded for unused sick leave and may reduce the client's benefit amount. We encourage the client to return this form along with their Intent To Retire to help expedite the retirement process. **The contract will not be issued until this form has been returned to our office.**

## Retirement Plans

### Maximum Option: Lifetime Benefit for Member

- This plan provides the maximum benefit that can be received based upon the member's salary, service credit and age. This benefit is paid monthly for the member's lifetime and ceases the last day of the month in which the member dies.
- Survivor's Benefits: Upon the death of the member, the balance of the member's deposits shall be paid in a lump sum to the member's beneficiary or estate if no beneficiary survives.

### Option 1: Lifetime Benefit for member with Annuity Reduction

- This plan provides for a slightly reduced benefit compared to the Maximum monthly benefit. The member's deposits are reduced at a slower rate. With this annuity reduction, the unused portion of the member's deposits is being protected for the beneficiary over a longer period of time. This benefit is paid monthly for the member's lifetime and ceases the last day of the month in which the member dies.
- Survivor's Benefits: Upon the death of the member, the balance of the member's deposits (taking into account monthly reductions) shall be paid in a lump sum to the member's beneficiary or estate if no beneficiary survives.

### Option 2: Lifetime Benefit for Member and Joint Annuitant

- This plan exhibits the most reduced monthly benefit and is usually known as a joint annuitant plan. The reduction in the monthly benefit is greater than all other options because two people are being protected for life. This benefit is paid monthly for the member's lifetime and continues payment to the designated beneficiary upon the death of the member. The age of the beneficiary is used to compute this benefit. There are limitations to non-spousal joint annuitants who are more than 10 years younger than the member.
- Survivor's Benefits: Upon the death of the member, the same, or 100% of the monthly payment will be paid to the member's joint annuitant for life. If the joint annuitant dies at any time after the member's retirement date, but before the member, the member shall return to the Maximum retirement benefit. (This includes any post-retirement benefit increases the member would have received had the member not selected the Option 2 retirement plan.) If the member and joint annuitant should die at the same time, the balance of the member's deposits shall be paid in a lump sum to the member's designated beneficiary.

### Option 3: Lifetime Benefit for member, One Half to Surviving Joint Annuitant

- This option provides for the payment of a reduced benefit to the member for life. It is similar to Option 2 in that it provides for the protection of the member and beneficiary for life. The age of the beneficiary is used to compute this benefit.
- Survivor's Benefits: Upon the death of the member, ONE-HALF or 50% of the member's monthly payment is paid to the member's joint annuitant for life. This reduction is not as great as Option 2. If 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 Maximum retirement benefit. (This includes any post-retirement benefit increases the member would have received had the member not selected the Option 3 retirement plan.) If the member and joint annuitant should die at the same time, the balance of the member's deposits shall be paid in a lump sum to the member's designated beneficiary.

Option 4: Lifetime Benefit for Member, Up to 10 Years for Beneficiary

- This option provides for the payment of a reduced monthly benefit to the member for life.
- Survivor's Benefits: If the member should die within 10 years (one hundred twenty continuous months) from the date of retirement, monthly payments are continued to the member's designated beneficiary, until the 120<sup>th</sup> payment has been paid from the member's date of retirement. If the member and beneficiary should die before the 10 years are complete, the remaining balance shall be paid in a lump sum to the member's next designated beneficiary.

**Pop Up for Members who Choose Option 2 or 3**

If the designated beneficiary 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 will return to the Maximum 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. Upon notification of the death of an Option 2 or 3 joint annuitant, the monthly retirement benefit of the member will be adjusted and retroactive payments made if applicable.

Governance

[7:15:10-15-10.1. "Pop-up" of Option 2 or Option 3 Retirement Plans](#)

If the designated beneficiary 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 beneficiary or July 1, 1994, whichever is later, and shall be payable for the member's remaining lifetime. The member shall notify the Teachers' Retirement System of the death of the designated beneficiary in writing and provide a certified copy of the beneficiary's death certificate. In the absence of timely notice, Teachers' Retirement 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.

### Partial Lump Sum Payments

A member who is eligible to retire with at least thirty (30) years of creditable service may elect a reduced annuity and receive a partial lump-sum payment on the date of retirement. Information regarding the PLSO payment will be included on estimates of qualifying members.

#### Governance

##### [O.S. 70 § 17-105.2 – Thirty Year Service – Partial lump Sum Payment](#)

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

B. The partial lump-sum payment, pursuant to this section, shall be paid in a check separate from the regular monthly retirement benefit. 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 for purposes of determining unused contributions remaining in the account. The member may elect to rollover the taxable portion of the partial lump-sum payment to an eligible retirement plan or individual retirement account (IRA). The nontaxable portion of the partial lump-sum payment can be rolled over to an IRA or another qualified retirement plan as allowed by the Internal Revenue Code and regulations. This partial lump-sum payment shall be subject to federal income tax in accordance with the Internal Revenue Code Section 72 and other such Internal Revenue Code sections and regulations as may be applicable. This partial lump-sum benefit is subject to the same restrictions for assignment and attachment as all other retirement benefits. The appropriate portion of the partial lump-sum distribution will be reported to the Internal Revenue Service (IRS) as taxable income and appropriate tax withholdings will be withheld unless the member elects to make a direct rollover of the taxable portion of the funds. Should the member have after-tax contributions, a portion of such after-tax contributions will be allocated to the partial lump-sum payment and to the remaining annuity on a prorata basis.

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

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

## Service Credit

Service credit is the term used to define a year or years that a Client has both worked for an employer as a member of the retirement system and made the required contributions for the year they worked.

For example, if a Client is (1) employed and (2) eligible for membership, (3) completes the requirements of their annual contract, (4) duly contributes the required amount of their salary and (5) their employer duly contributes the required amount of their salary, they will be awarded a year of creditable service.

If a client does not meet all of these requirements they will not receive a year of service credit to be used in their retirement calculation. The accumulated body of awarded years of service is commonly referred to as “creditable service”, “service credit” or “years of service.” The following information pertains to the requirements of employers and members to qualify for and be awarded creditable service.

There are four categories of service credit: Earned Service Credit, Purchased Service Credit, Transferred Service Credit and Granted Service Credit.

### Earned Service Credit

- Earned Service credit is based on contributions paid while employed
- Service after July 1, 2013 will be awarded based on position requirements and days worked as reported on the Employment Year End Report.
- Members working less than the full time requirement for their position will receive fractional service credit.
- Days Paid = Days Worked: Days on which member receives compensation and contributions are paid will count as a day worked.
- Leave With Out Pay: Days on which member receives \$0.00 compensation and \$0.00 contributions are paid will not be counted as a day worked.
- Examples of Full Time Service (6 hours or more per day):

Days Required for Position	Hours Per Day	Days Worked (Paid) by Individual Employee	Retirement Service Credit Awarded to Employee
180	8	180	1
180	7	175	0.97
220	6	223	1
220	8	175	0.80
175	8	38	0.22

#### Governance

##### [715:10-3-1 Requirements for creditable service](#)

All members of Teachers' Retirement System 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. No service performed as a 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. (Note: Please refer to Client Handbook for explanation of creditable service qualifications. The Client Handbook, which is periodically modified, can be found at [www.ok.gov/TRS](http://www.ok.gov/TRS)).

- Examples of Part Time Service (less than 6 hours per day):

Days Required for Position	Hours Per Day	Days Worked (Paid) by Individual Employee	Retirement Service Credit Awarded to Employee
180	5	180	0.5
180	4	175	.49 [.5 x (175/180)]
220	5	223	0.5
220	4	175	.40 [.5 x (175/220)]
175	4	175	0.50

- See Workers Compensation and FMLA for more information regarding these specific types of leave.

### Purchased Service Credit

Work performed prior to OTRS membership or in other capacities may be eligible under some circumstances to be purchased in order to receive service credit.

### Military Service Credit

A member who served in the military may purchase up to 5 years of prior military service credit.

- Active duty
- Two years of active, contributory Oklahoma service are required after the date(s) of the military service performed for each year purchased

Clients called into active military service while employed with a public education agency may pay the balance of contributions owed, without interest, upon return to active, contributing employment in conjunction with USERRA guidelines. The employer or the member should contact OTRS upon the return of the member from active military service.

#### Governance

##### [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.

### *Out of State Service Credit*

A member who worked in an out-of-state public education institution may purchase up to 5 years of service credit.

- The service cannot be eligible to receive retirement credit or benefits in any other retirement system.
- The service must have been covered by and credited in the employing state's public retirement system.
- The member must have two years of active, contributory Oklahoma service (worked after the out-of-state service) for each year of out-of-state credit purchased.

#### Governance

##### [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.

### *Substitute Teacher Service Credit*

A member who worked as a substitute in Oklahoma public education may purchase up to 5 years of service credit.

- Requirement is 120 days in one fiscal school year and will be the equivalent of 1 year of service.
- Service of less than 120 days in one fiscal school year cannot be purchased.
- Service in 2 or more fiscal school years cannot be combined to equal 120 days.
- Service must be documented through the Teacher Personnel Department of the State Department of Education.

#### Governance

##### [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).

***Sabbatical Leave Performed Prior to July 1, 1990***

A member may purchase sabbatical leave performed prior to July 1, 1990, provided the member received at least one-half pay and was granted “official sabbatical”.

“Official sabbatical” means paid leave granted by the governing board of the employing school or institution.

Governance

[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.

***Adjunct Service Credit***

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.

Governance

[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).

### *Service in Other Oklahoma Public Retirement Systems*

A member of OTRS may purchase credit for employment covered by the following Oklahoma public retirement systems:

- Oklahoma Firefighters Pension and Retirement System
- Oklahoma Police Pension and Retirement System
- Uniform Retirement System for Justices and Judges
- Oklahoma Law Enforcement Retirement System
- Oklahoma Department of Wildlife
- Oklahoma Public Employees Retirement System (OPERS).

After 1 full year (12 calendar months) of OTRS contributory service, a member may contact OTRS for further information regarding the service credit to be purchased.

See section on OPERS for more information regarding transfer of service credit from OPERS.

### Governance

#### [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 Teachers' Retirement System 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. 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.

***Cost of Purchased Service Credit***

If a member is eligible to purchase any of the aforementioned types of service credit, they can do so either by a lump sum payment or an installment plan not to exceed 60 months. The cost of purchasing service is based on actuarial cost and must be calculated by OTRS upon request.

**[470 O. S. § 17-116.8 – Adoption of Rules for Computation of Purchase Price for Service Credit – Inability to Pay](#)**

A. The Board of Trustees shall adopt rules for computation of the purchase price for service credit. These rules shall base the purchase price for each year purchased on the actuarial cost of the incremental projected benefits to be purchased. The purchase price shall represent the present value of the incremental projected benefits discounted according to the member's age at the time of purchase. Incremental projected benefits shall be the difference between the projected benefit said member would receive without purchasing the service credit and the projected benefit after purchase of the service credit computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation.

B. In the event that the member is unable to pay the purchase price provided for in this section by the due date, the Board of Trustees shall permit the members to amortize the purchase price over a period not to exceed sixty (60) months. Said payments shall be made by payroll deductions unless the Board of Trustees permits an alternate payment source. The amortization shall include interest in an amount not to exceed the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings each year. Any member who ceases to make payment, terminates, retires or dies before completing the payments provided for in this section 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. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this subsection.

***Deadline for Purchase***

OTRS will adhere to strict deadlines as outlined on page XX. If a member plans to purchase service credit of any type, it should be completed as early in their career as possible. Delays in the purchase of service credit could delay a planned retirement date.

An active member of OTRS may transfer service credit from OPERS to OTRS. Members should contact OTRS for more information.

Governance

715:10-5-7.1. Transfer of service credit from 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.

## Granted Service Credit

Service credit will be granted by OTRS for unused sick leave.

### *Sick Leave Service Credit at Retirement*

- A member who has unused sick leave days at retirement may receive up to 1 additional year of service credit.
- The amount of service will be the number of days divided by 120 up to 1. For example, a member who has 120 days will receive 1 year of service credit while a member with 85 days will receive .71 ( $85 \div 120$ ) service credit.
- The maximum service credit that can be added for sick leave is 1 year.
- Sick leave service credit can be added to other service credit earned while employed by the public schools of Oklahoma.
- The member is responsible for verification of sick leave before retirement (see below). No adjustments will be made for sick leave documented after retirement.
- Sick leave cannot be combined with out-of-state, military or any non-public Oklahoma school employment to obtain additional credit toward retirement.
- Sick leave service credit can be used to qualify for "Combination 80", "Combination 90" or Rule of 90/Minimum 60".
- Members who joined TRS prior to July 1, 1995, sick leave will be treated as service earned prior to July 1, 1995 and will be subject to any applicable salary cap.
- Sick leave service credit cannot be used for vesting purposes.
- Sick leave accumulated while employed by any employer other than an Oklahoma public education school cannot be used.

## Governance

### [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.

### Verification of Sick Leave

- Sick leave can only be verified upon termination of employment or when filing a retirement contract.
- Verification must be on 1 of 2 OTRS forms:
  - Form 82 – Verification of Unused Sick Leave: available on the OTRS website and can be used by any employer for any member
  - Employer Retirement Verification (ERV): provided by OTRS to individual members upon application for retirement. The form is specific for that member and documents service credit and salaries as well as sick leave.
- Verification must be made by the superintendent, financial office, clerk of the board of education or treasurer of the school district.
- Employer must provide documentation of the service credit.
- TRS will not accept more than 15 days of unused accumulated sick leave for each one year of employment.
- Donated sick leave cannot be used for retirement purposes.
- Sick leave associated with withdrawn service cannot be used.
- Unused sick leave can be accumulated from the date of employment in the public schools of Oklahoma to the date of termination.
- Payment for unused sick leave cannot be considered as regular annual compensation.

#### Governance

##### [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.)

### Ten-year Averaging of Sick Leave

If no documentation is available, TRS will calculate an average using the last ten years of employment.

#### Governance

##### [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.

## Survivor Benefits

OTRS should be notified as soon as possible of the death of a member. Notification can be made by calling 405-521-2389 or 877-738-6365 or by email at [mail@trs.ok.gov](mailto:mail@trs.ok.gov). Upon notification OTRS will mail information and forms necessary for payment of the benefits due the designated beneficiary(ies) or estate of the member.

## Death Before Retirement

### *Return of Contributions*

Upon the death of a member who has not retired, the designated beneficiary or estate will receive the member's contributions plus 100% of all interest earned.

#### Governance

##### [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, 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 be calculated according to the following schedule: [See OAC 715:10-9-7, if the member and beneficiary were divorced before death].

(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, to present, eight percent (8%), compounded annually.

### *Death Benefit*

The beneficiary or estate of in-service members will receive an \$18,000 survivor benefit. The beneficiary or estate of members who are not working in Oklahoma public education are not eligible for the \$18,000 survivor benefit.

#### Governance

##### [O.S. 70 § 17-105 - Retirement](#)

(11) Upon the death of an in-service member, the System shall pay to the designated beneficiary of the member or, if there is no designated beneficiary or if the designated beneficiary predeceases the member, to the estate of the member, the sum of Eighteen Thousand Dollars (\$18,000.00) as a death benefit. . . .

### **Monthly Annuity in Lieu of Death Benefit**

The designated beneficiary of an active contributing member may elect to receive the Option 2 retirement benefit in lieu of a lump sum benefit (contributions, interest and \$18,000 death benefit) if

- Member was eligible for retirement
- Only 1 primary beneficiary was named at the time of the member’s death
- The named primary beneficiary is the member’s spouse or is not more than 10 years younger than the member.

### **Death After Retirement**

#### **Death Benefit**

- The beneficiary or estate of a retired member of OTRS will receive a \$5,000 survivor benefit.
- The benefit can be assigned to a funeral home.
- The death benefit is taxable to the beneficiary.

#### **Annuity**

- Some retirees chose a retirement option which designates a joint annuitant who will continue to receive monthly benefits after the death of the member. Information regarding annuity benefits when applicable will be included in the packet sent to the beneficiary. See Retirement Plans for more information regarding eligibility.

#### **Governance**

##### [O.S. 70 § 17-105](#)

(12) Upon the death of an annuitant who has contributed to the System, the retirement system shall pay to the designated beneficiary of the annuitant or, if there is no designated beneficiary or if the designated beneficiary predeceases the annuitant, to the estate of the annuitant, the sum of Five Thousand Dollars (\$5,000.00) as a death benefit. The beneficiary or beneficiaries of benefits provided pursuant to this subsection may elect to disclaim such death benefits in which case such benefits will be transferred to a person licensed as a funeral director or to a lawfully recognized business entity licensed as required by law to provide funeral services for the deceased member. The qualified disclaimer must be in writing and will be an irrevocable and an unqualified refusal to accept all or a portion of the death benefit. . . .

## Withdrawal from Membership and Refund of Deposits

Under certain circumstances, a member may choose to withdraw from membership and receive a refund of their member contributions.

### Withdrawal upon Termination

- Member must terminate employment from all institutions of Oklahoma public education.
- Member may receive a refund on the 20<sup>th</sup> day of the 4<sup>th</sup> month following the last date of employment. The member cannot receive the refund if they return to or contract for Oklahoma public education before receiving the refund. See False Affidavits below.
- If applicable, interest will be added to the refund.
- Member should contact OTRS after termination of employment for a packet of forms and information regarding withdrawal.

### 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 the Teachers' Retirement System under the following conditions:

(1) The Teachers' Retirement System law 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.

Withdrawal payment can be made no earlier than four (4) months after the last public school employment. There are no exceptions to this waiting period. Withdrawal forms may be obtained by contacting the TRS office. Last day of employment shall be defined as:

(A) For teachers - the actual last teaching day in the classroom;

(B) For other personnel - the actual last day on the job.

(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 rate on withdrawals shall be paid as follows:

(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) As of July 1, 1981 to present - eight percent (8%), 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 (50) percent of the total accrued interest shall be paid.

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

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

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

(6) The Board of Trustees has ruled that 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 check has been accepted and cashed.

(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.

Governance

**Withdrawal While Still Employed**

Non-classified optional members may voluntarily terminate membership in OTRS while continuing employment.

**Fewer than Six Contributions**

- If fewer than 6 contributions have been paid, the employer may receive a refund of all contributions paid through a monthly report (see Refunds of Contributions below). It will be as if the employee never joined OTRS.

**Six or More Contributions**

- OTRS must be notified of the member’s intent to terminate their membership.
- After contributions have stopped, the member will become an ineligible member of OTRS and will forfeit all rights to retirement benefits.
- Pre-tax funds cannot be withdrawn until the member terminates employment or turns 62.

[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.
- (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.

Governance

**False Affidavits**

- Members cannot receive a refund while employed in or contracted for employment in Oklahoma public education.
- If false information is given, the funds must be repaid with interest.

[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.

## Refunds of Contributions

- If fewer than 6 contributions have been made, employer will receive a refund through the Employer Portal. See Reports for more information

### Governance

#### [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.

## Redeposit of Withdrawn Service

- Members who withdrew upon termination of employment may redeposit a withdrawn account.
- Member must be employed and make contributions for 1 full year before requesting to redeposit a withdrawn account.
- Member will request a billing from OTRS to redeposit the withdrawn account.
- Upon payment in full, the withdrawn service credit will be re-established.
- Upon payment in full, the original membership date will be re-established.
- Non-classified members who chose to stop making contributions while continuing employment are not eligible to redeposit withdrawn accounts.

### Governance

#### [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 the Teachers' Retirement System in writing. The request must include the name in which the service was rendered, the Social Security number and the number of years withdrawn.
- (5) Documentation of this service is on file in the Teachers' Retirement System office and will be verified by the staff. Service that cannot be documented by researching microfilm records of the member's prior service account or the monthly remittance reports from the employing school 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. 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, within sixty (60) days of termination of employment in the public schools of Oklahoma, but one (1) month 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.