

**Teachers' Retirement System of Oklahoma**  
**Oliver Hodge Building**  
**2500 N. Lincoln Boulevard, 5<sup>th</sup> Floor**  
**Oklahoma City, Oklahoma 73105**  
**(405) 521-4746**

**RULE IMPACT STATEMENT**

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

This rule is being proposed to comply with the statutory responsibility of the Board of Trustees in establishing rules and regulations for the administration of the System and the transaction of its business [70 O.S. Section 17-101 et seq., especially 70 O.S. Section 17-106(10)]. This rule is necessary to provide a more efficient administration of the System and ensure that the rules for the Teachers' Retirement System of Oklahoma continue to best serve the System's members.

**TITLE 715. TEACHERS' RETIREMENT SYSTEM**

**CHAPTER 1. ADMINISTRATIVE OPERATIONS**

715:1-1-19 is being added to provide a method to determine which statewide organization representing retired educators may make the one (1) non-voting Trustee appointment to the Board. This non-voting Trustee appointed by a statewide organization representing retired educators is a new addition to the Board by virtue of HB2740. As there is the possibility that more than one statewide organization representing retired educators exists, without the adopting of this rule, there is no way to determine which specific organization is entitled to make the nomination.

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

The class of person(s) affected by the proposed rules is the membership of the Teachers' Retirement System of Oklahoma, as well as any statewide organizations representing retired educators.

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

The class of person(s) benefitted by the proposed rules is the membership of the Teachers' Retirement System of Oklahoma as well as any statewide organizations representing retired educators.

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

The proposed rules will not have an economic impact upon affected classes.

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

None.

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

None.

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

None available.

**H. DATE IMPACT STATEMENT PREPARED:**

July 17, 2014

## Chapter 1. Administrative Operations

715:1-1-19 is being added to provide a method to determine which statewide organization representing retired educators may make the one (1) non-voting Trustee appointment to the Board. This non-voting Trustee appointed by a statewide organization representing retired educators is a new addition to the Board by virtue of HB2740. As there is the possibility that more than one statewide organization representing retired educators exists, without the adopting of this rule, there is no way to determine which specific organization is entitled to make the nomination.

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

The Board of Trustees is composed of thirteen (13) voting members and one (1) nonvoting member who is to be selected by a statewide organization representing retired educators under Section 17-106(m) of title 70 of the Oklahoma Statutes. As there is the possibility that more than one statewide organization representing retired educators exists, OTRS shall employ an annual process to determine which such organization has the ability to make the non-voting trustee appointment.

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

On September 15, 2014, any organization that asserts that it meets the definition of a statewide organization representing retired educators shall make application on a form supplied by OTRS, to be recognized as the organization to make this selection. The form shall be submitted with documentation that shows the legal status of the organization (corporation, association, other). The material submitted shall also provide documentation formally adopted by the organization demonstrating the organization meets the definition of a statewide organization representing retired educators and documentation formally adopted by the organization detailing the internal procedure by which the organization will select the candidate to be appointed to the Board of Trustees.

The Board of Trustees shall decide which organization(s) meet the definition of an eligible organization by November 1, 2014. If only one organization meets the definition of eligible organization, that organization shall follow its own governing documents to make the selection of the non-voting trustee, and provide notification of the appointment to OTRS in writing by December 10, 2014.

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

Any organization making application for eligibility and addition to the register after September 15, 2014 shall make application in the same manner described above. The Board shall decide by November 1 of the year in which the

application is made if the organization meets the definition of an eligible organization. The organization shall then be added to the end of the register. In any year in which more than one organization is added to the register, they shall be added according to the membership number of the organizations, with the organization with the most members being listed first on the register, and the organization with the lowest number of members being listed last.

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