



OKLAHOMA TEACHERS

RETIREMENT SYSTEM

BOARD OF TRUSTEES

REGULARLY SCHEDULED
MEETING

MARCH 28, 2012

9:00 AM

MEETING MATERIALS

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TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, March 28, 2012 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. SWEARING IN OF NEW TRUSTEE – ROGER GADDIS**
- 3. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR THE FEBRUARY 22, 2012 BOARD MEETING**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Advisory Research - All Cap
 - B. Epoch Investment Partners - All Cap
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 6. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT - *The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting***
- 7. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 8. DISCUSSION AND POSSIBLE ACTION ON CONTRIBUTION RATE FOR GRANT MATCHING FUNDS FOR FY-2013**
- 9. DISCUSSION AND POSSIBLE ACTION ON RENEWAL OF CONTRACT FOR LEGAL SERVICES WITH THE OFFICE OF ATTORNEY GENERAL**
- 10. DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION PURSUANT TO TITLE 25 O.S. § 307 (B)(4) FOR THE PURPOSE OF CONFIDENTIAL COMMUNICATIONS BETWEEN THE BOARD OF THE TEACHERS RETIREMENT SYSTEM AND ITS ATTORNEY CONCERNING PENDING ACTION, IN RE MEDTRONIC LITIGATION, CIV. 0:08-CV-06324-PAM-AJB 264 (MN)**
 - A. Vote to Convene into Executive Session
 - B. Vote to Return to Open Session
- 11. DISCUSSION AND POSSIBLE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**
- 12. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR REPORT**
 - A. Client Status Update
 - B. Legislative Update
 - C. 2012 Strategic Planning Retreat
 - D. Other Items for Discussion
- 13. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 14. NEW BUSINESS**
- 15. ADJOURNMENT**

**MEETING MINUTES
FEBRUARY 22, 2012
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Michael Simpson, Chairman, at 9:00 A.M., in the Administration Board Room, 5th Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda was posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

Michael Simpson, <i>Chairman</i>	Vernon Florence
Gary Trennepohl, <i>Vice Chairman</i>	Jill Geiger*
Bruce DeMuth, <i>Secretary</i>	Stewart Meyers, Jr.
Sherrie Barnes	Jonathan Small*
Cathy Conway	James Smith
James Dickson	Billie Stephenson

TRUSTEES ABSENT:

William Peacher

TRS STAFF PRESENT:

James R. Wilbanks, <i>Executive Director</i>	Becky Wilson, <i>Executive Assistant</i>
Grant Soderberg, <i>Investment Associate</i>	Colby Fabrie, <i>Intern</i>

LEGAL COUNSEL PRESENT:

Regina Switzer, *Assistant Attorney General*

INVESTMENT CONSULTANT PRESENT:

Greg Weaver, <i>Gregory W. Group</i>	Douglas J. Anderson, <i>Gregory W. Group</i>
Tony Kay, <i>Gregory W. Group</i>	

OTHERS PRESENT:

Norman Cooper, <i>OK Retired Educators Association</i>	Charles Barnes
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**Denotes either late arrival or early departure*

ITEM 1 - ROLL CALL FOR QUORUM: Chairman Simpson called the Board meeting to order and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Dickson; Mr. Florence; Mr. Meyers; Mr. Small; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

ITEM 2 - MEETING MINUTES: Chairman Simpson asked if there were any changes to the meeting minutes. A motion was made by Ms. Conway with a second made by Ms. Stephenson to approve the January 25, 2012 meeting minutes. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Dickson; Mr. Florence; Mr. Meyers; Mr. Small; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

ITEM 3 – PRESENTATION BY INVESTMENT MANAGERS: Frontier Capital Management and Wellington Management Company, Investment Managers, were present to give respective presentations to the Board. Ms. Geiger joined the meeting immediately following the presentations.

A break was taken from 9:57 a.m. to 10:08 a.m.

ITEM 4 – INVESTMENT CONSULTANT MONTHLY REPORT: Greg Weaver, Douglas Anderson and Tony Kay of Gregory W. Group, Investment Consultants to the Board, gave the Board their monthly report. No action was necessary.

ITEM 5 – MANAGER STATUS SUMMARY REPORT: Greg Weaver, Douglas Anderson and Tony Kay of Gregory W. Group, Investment Consultants to the Board, gave the Board the Manager Status Summary Report. After discussion, no action was necessary.

ITEM 6 – INVESTMENT CONSULTANT QUARTERLY REPORT: Greg Weaver, Douglas Anderson and Tony Kay of Gregory W. Group, Investment Consultants to the Board, gave the Board their quarterly report. No action was necessary.

ITEM 7 – PASSIVE US LARGE CAPITALIZATION EQUITY RFP: Greg Weaver, Douglas Anderson and Tony Kay of Gregory W. Group, Investment Consultants to the Board, gave the Board an overview of the Passive US Large Capitalization search and list of finalists. After discussion, a motion was made by Ms. Conway with a second made by Mr. DeMuth to hire both Northern Trust and State Street to manage the Passive Equity Allocation; to allocate 25% of the All Cap/Large Cap allocation plus future private equity commitments between the two firms, with approximately \$550 million in total allocation; that Northern Trust manage a 50% allocation to S&P 500 Capitalization Weighted portfolio; that State Street manage a 50% allocation to S&P 500 Equal Weighted portfolio; to use the ongoing private equity capital calls to rebalance the S&P 500 Index portfolios; and to allow TRS Staff and the consultants from Gregory W. Group to evaluate and hire a transition manager. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Dickson; Mr. Florence; Ms. Geiger; Mr. Meyers; Mr. Small; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

A break for lunch was taken from 12:00 p.m. to 12:35 p.m.

ITEM 8 – ADOPTION OF PERMANENT RULES: Dr. Wilbanks gave a presentation to the Board on the adoption of Permanent Rules including public comments received during the Rules Hearing held on February 16, 2012. The proposed rules for adoption are: 715:1-1-2 amended; 715:1-1-3 amended; 715:1-1-4 amended; 715:1-1-6 revoked; 715:1-1-9 revoked; 715:10-1-2 amended; 715:10-1-3 amended; 715:10-1-4 amended; 715:10-1-5 amended; 715:10-1-6 amended; 715:10-1-7 amended; 715:10-3-1 amended; 715:10-3-2 amended; 715:10-3-3 amended; 715:10-3-4 amended; 715:10-3-5 amended; 715:10-5-4 revoked; 715:10-5-7.3 amended; 715:10-5-9 amended; 715:10-5-11 revoked; 715:10-5-28 amended; 715:10-5-33 revoked; 715:10-7-6 amended; 715:10-9-2 revoked; 715:10-9-3 amended; 715:10-9-4 revoked; 715:10-9-5 amended; 715:10-9-6 revoked; 715:10-11-1 amended; 715:10-11-2 amended; 715:10-13-1 revoked; 715:10-13-4.1 revoked; 715:10-13-9 revoked; 715:10-13-13 amended; 715:10-15-1 amended; 715:10-15-2 amended; 715:10-15-7 amended; 715:10-15-7.1 revoked; 715:10-15-10.2 amended; 715:10-15-10.3 amended; 715:10-15-13 revoked; 715:10-17-2 amended; 715:10-17-6 amended; 715:10-25-1 revoked; 715:10-25-2 revoked; 715:10-25-3 revoked; 715:10-25-4 revoked; 715:10-25-5 revoked; 715:10-25-6 revoked.

After a lengthy discussion about the rules, a motion was made by Mr. DeMuth with a second made by Mr. Small to approve and adopt all rules as presented. Trustees responding with a yes vote were: Mr. DeMuth; Mr. Dickson; Mr. Florence; Ms. Geiger; Mr. Small; Dr. Trennepohl; and Chairman Simpson. Trustees responding with a no vote were: Ms. Barnes; Ms. Conway; Mr. Meyers; Mr. Smith; and Ms. Stephenson. Chairman Simpson declared the motion to have passed.

ITEM 9 – EXECUTIVE DIRECTOR REPORT: Dr. Wilbanks gave his report to the Board, including the client status update and legislative updates. A motion was made by Ms. Conway with a second made by Dr. Trennepohl to approve the Executive Director Report. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Dickson; Mr. Florence; Ms. Geiger; Mr. Meyers; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

ITEM 10 – QUESTIONS AND COMMENTS FROM TRUSTEES: Mr. Meyers attended the Regional Seminar in OKC and thanked Dr. Wilbanks and TRS Staff for the great presentation. Ms. Stephenson also thanked the TRS Staff for a job well done at the Lawton Seminar.

ITEM 11 – NEW BUSINESS: There was no further business from the Board.

ITEM 12 – ADJOURNMENT: There being no further business, a motion was made by Mr. DeMuth with a second made by Dr. Trennepohl to adjourn. The meeting was adjourned at 2:03 p.m. Trustees present at adjournment were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Dickson; Mr. Florence; Ms. Geiger; Mr. Meyers; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Michael Simpson, Chairman

ATTEST:

BY: _____
Bruce DeMuth, Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers' Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on March 28, 2012.

BY: _____
Becky Wilson, Executive Assistant to the Executive Director

Market Environment

Continued Strength Among Equity Prices



Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	2.9	8.8	25.8	3.9
NASDAQ (prc chg only)	5.4	6.6	29.1	4.2
S&P 500 cap weighted	4.3	5.1	25.6	1.6
S&P 500 equal weighted	4.2	3.3	33.9	3.3
S&P Mid Cap	4.5	2.6	31.5	4.7
S&P Small Cap	2.1	5.1	31.4	3.4
S&P REIT	-1.1	5.8	42.8	-1.8
Russell 1000 Growth	4.8	7.6	27.5	4.5
Russell 1000 Value	4.0	2.2	25.0	-1.1
Russell Mid Cap Growth	4.5	3.8	32.2	4.1
Russell Mid Cap Value	3.8	1.5	31.9	1.0
Russell 2000 Growth	3.3	2.4	31.2	3.9
Russell 2000 Value	1.5	-2.7	27.7	-0.4
Russell Top 200	4.5	5.9	24.1	1.4
Russell 1000	4.4	4.9	26.3	1.8
Russell Mid Cap	4.2	2.6	32.0	2.7
Russell 2500	3.7	1.5	31.3	2.8
Russell 2000	2.4	-0.2	29.5	1.8
MSCI World Ex US	5.5	-7.4	21.0	-1.8
MSCI World Ex US Growth	5.7	-6.0	20.3	-0.6
MSCI World Ex US Value	5.4	-8.8	21.6	-3.1
MSCI EAFE	5.8	-7.0	20.3	-2.5
MSCI Emerging Markets	6.0	0.2	32.7	6.5

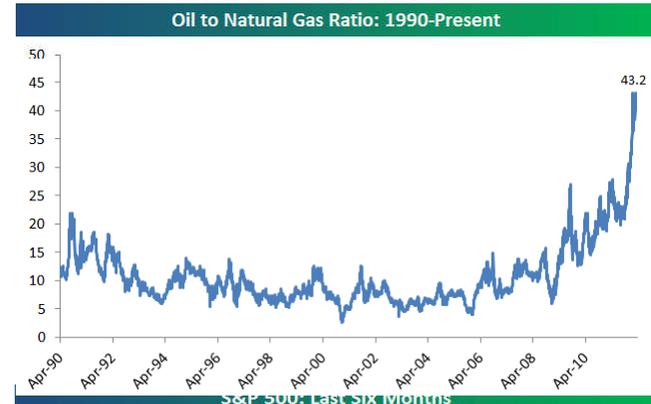
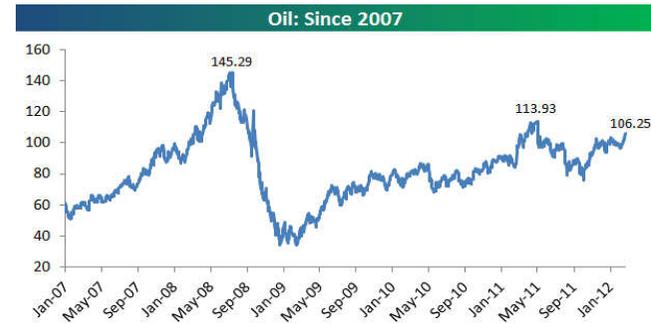
February was another good month for equity investors as prices pushed even higher while bonds suffered modest losses. Europe continued to be prominent in investors' minds. The situation seemed to calm during the month as Greece moved toward a resolution. US economic news was slightly better than expected.

The domestic equity market favored larger companies and growth stocks during the month. International equities actually outperformed domestic shares during the month. Trailing three year returns are extremely high. Five year returns have yet to fully recover from the 2007 - 2008 bear market.

Bond markets struggled during February, although trailing year returns remained strong. Core fixed income results were flat for the month while long term Treasuries fell more than 2% as long term interest rates rose. T-Bills posted barely positive returns for the month and year.

Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.1	1.2
BC Long Treasury	-2.1	28.5	10.2	10.1
BC US Agg	0.0	8.4	7.5	6.4



Monthly Change in Market Value



Beginning of Month Market Value	\$10,021,227,152
Net Cash Flow	-\$24,528,011
Change in Investment Value	\$338,009,844
Ending of Month Market Value	\$10,334,708,984

Monthly Rate of Return 3.4%

Manager Profile



Manager	Represented by	Structure	Location	Portfolio Size	Status	Management Fee
Advisory Research	Chris Crawshaw Matthew Swaim Shree Viswanathan	Division of Piper Jaffrey	Chicago, Illinois	\$ 391,600,726	In Compliance	\$ 0.33 1,306,102
Epoch Investment Partners	Tom Pernice David Pearl	Publicly Traded (ticker: EIPNY)	New York, New York	\$ 458,156,884	In Compliance	\$ 0.44 2,003,549

Manager	Investment Mandate	Investment Philosophy/Process
Advisory Research	All Cap Domestic Equity	ARI's all cap portfolios are composed using the firm's small cap, mid cap and large cap investment disciplines. investment disciplines. The firm has tailored its investment processes to each market segment. The small and mid cap teams concentrate on companies selling at discounted price/book ratios. Large cap positions are based on financial strength and sustainable franchise characteristics. Shares are purchased into the portfolios when characteristics. Shares are purchased into the portfolios when they are trading at less than 90% of the firm's estimate of intrinsic value. The firm seeks to purchase companies that represent the most attractive value value opportunities regardless of their current market capitalization. Portfolios will hold 50 - 60 positions with turnover around 25%.
Epoch Investment Partners	All Cap Domestic Equity	Epoch seeks to produce superior risk-adjusted returns by constructing diversified portfolios of businesses with outstanding return profiles without a high degree of capital risk. Investments are evaluated on a private investor basis. Epoch uses a centralized decision process that composes the firm's best ideas into a diversified but compact portfolios. Most of the firm's research is proprietary and based on their expectations of free cash flow growth. Analysis of a firm's operations and history guide a private market valuation based on discounted free cash flow models. Epoch meets with management either in their offices or on-site to assess their skill, honesty and integrity before purchase. Portfolios will hold 55 – 60 positions with turnover around 25%. 100% of their trading in electronic.

Monthly Asset Allocation Review

Asset Class	Total Market Value	Current Percentage	Target Percentage	Difference	Notes
All Cap/Large Cap	2,306,007,847	22.3%	17.5%	4.8%	Excess allocation bound for Private Equity
Mid Cap	1,362,573,440	13.2%	12.5%	0.7%	
Small Cap	959,273,105	9.3%	10.0%	-0.7%	
Total Domestic Equity	4,627,854,393	44.8%	40.0%	4.8%	
Large Cap International Equity	1,145,392,864	11.1%	12.5%	-1.4%	
Small Cap International Equity	284,155,498	2.7%	2.5%	0.2%	
Total International Equity	1,431,127,564	13.8%	15.0%	-1.2%	
Core Fixed Income	2,278,360,204	22.0%	25.0%	-3.0%	
High Yield Bonds	661,983,501	6.4%	5.0%	1.4%	Capital calls have recently accelerated
MLPs	580,190,547	5.6%	5.0%	0.6%	
Private Equity	86,299,930	0.8%	5.0%	-4.2%	
Real Estate	436,896,950	4.2%	5.0%	-0.8%	
Opportunistic Assets	166,682,090	1.6%	0.0%	1.6%	
Total Non-Core Assets	1,932,053,017	18.7%	20.0%	-1.3%	
Cash	62,020,705	0.6%	0.0%	0.6%	
Composite	10,334,708,984	100.0%	100.0%		

Total Fund + Asset Class Composite Summary

As of February 29, 2012



	Market Value	Last Month	Last Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Total Domestic Equity <i>S&P 500</i>	4,627,854,393	4.6 4.3	12.0 10.1	1.5 5.0	2.9 5.1	27.8 25.6	2.2 1.6	6.4 4.2
Total All Cap Equity <i>Russell 3000</i>	849,757,610	3.6 4.2	8.9 10.4	2.3 4.0	4.0 4.4	25.8 26.5	2.1 1.8	- 4.8
Total Large Cap Equity <i>S&P 500</i>	1,456,250,237	4.9 4.3	11.4 10.1	6.1 5.0	7.4 5.1	23.8 25.6	0.5 1.6	4.9 4.2
Total Mid Cap Equity <i>Russell Mid Cap</i>	1,362,573,440	5.7 4.1	14.3 10.3	1.6 0.6	3.5 2.6	33.0 32.0	4.5 2.7	9.2 8.2
Total Small Cap Equity <i>Russell 2000</i>	959,273,105	3.3 2.4	12.8 10.4	-5.6 -1.1	-4.7 -0.2	29.0 29.5	1.9 1.8	7.2 7.0
Total International Equity <i>MSCI ACWI ex-US</i>	1,431,127,564	6.4 5.6	12.0 11.5	-5.6 -6.2	-5.7 -6.1	20.5 22.8	-1.0 -0.8	7.3 8.0
Core Fixed Income (ex- High Yield) <i>Barclays Aggregate</i>	2,278,360,204	0.4 0.0	3.5 2.0	9.9 5.9	12.8 8.4	11.6 7.5	8.6 6.4	7.0 5.7
Master Limited Partnerships <i>Alerian MLP Index</i>	580,190,547	4.2 4.2	12.6 12.3	16.5 15.0	16.8 13.4	- 37.9	- 13.8	- 17.3
High Yield Fixed Income <i>ML High Yield II</i>	661,983,501	2.6 2.3	8.3 7.9	3.6 4.7	5.4 6.2	21.7 25.2	- 7.9	- 9.2
Cash <i>91 Day T-bill</i>	62,020,705	- 0.0	- 0.0	- 0.0	- 0.1	- 0.1	- 1.3	- -
Total Fund <i>Allocation Index</i> <i>Actuarial Assumption</i>	10,334,708,984	3.4 2.9 0.6	8.9 8.1 1.9	3.4 3.3 6.6	4.6 5.0 8.0	20.6 21.2 8.0	4.2 3.3 8.0	7.5 6.6 8.0

Equity Portfolios Summary

As of February 29, 2012

	Market Value	Last Month	Last Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Hotchkis & Wiley Large Cap	405,064,239	4.9	12.5	3.4	2.0	32.9	-2.9	5.7
Russell 1000 Value		4.0	10.1	2.3	2.2	25.0	-1.1	4.8
Goldman Sachs	507,596,534	5.6	11.5	6.1	6.9	24.8	4.0	3.8
Russell 1000 Growth		4.8	10.7	6.7	7.6	27.5	4.5	4.3
Sawgrass	543,589,464	4.3	10.4	8.1	12.2	23.5	3.7	-
Russell 1000 Growth		4.8	10.7	6.7	7.6	27.5	4.5	4.3
ARI All Cap	391,600,726	2.0	7.0	2.2	4.1	26.1	0.4	-
Russell 3000 Value		3.8	10.1	2.0	1.8	25.2	-1.0	4.9
EPOCH All Cap	458,156,884	5.0	10.5	2.3	3.9	25.6	3.6	-
Russell 3000 Value		3.8	10.1	2.0	1.8	25.2	-1.0	4.9
Frontier Capital	347,678,580	4.7	11.4	0.9	2.6	25.9	7.5	-
Russell Mid Cap Growth		4.5	10.4	0.5	3.8	32.2	4.1	7.5
Wellington Management	325,830,285	4.2	12.9	-1.5	-0.8	34.9	4.2	9.4
Russell Mid Cap Growth		4.5	10.4	0.5	3.8	32.2	4.1	7.5
AJO Partners	331,686,065	4.5	11.2	0.4	5.9	30.6	3.4	8.6
Russell MidCap		4.1	10.3	0.6	2.6	32.0	2.7	6.4
Hotchkis & Wiley Mid Cap	357,378,511	9.2	22.2	6.5	6.3	44.1	2.9	-
Russell MidCap Value		3.8	10.3	0.7	1.5	31.9	1.0	8.3
Shapiro Capital Management	527,102,950	3.8	12.4	-0.6	0.9	36.4	5.0	11.5
Russell 2000 Value		1.5	9.9	-1.4	-2.7	27.6	-0.4	7.0
Tocqueville	432,170,156	2.7	13.2	-11.0	-10.8	22.3	-0.6	7.4
Russell 2000 Value		1.5	9.9	-1.4	-2.7	27.6	-0.4	7.0
Causeway Capital	392,003,526	7.4	14.6	-5.1	-3.5	24.5	-0.2	-
MSCI ACWI Ex US		5.6	11.5	-6.2	-6.1	22.8	-0.8	8.0
Brandes	375,781,932	5.9	9.8	-5.1	-7.6	17.5	-2.8	7.7
MSCI ACWI Ex US		5.6	11.5	-6.2	-6.1	22.8	-0.8	8.0
Thornburg	377,607,406	5.8	10.8	-7.4	-6.2	21.7	3.2	-
MSCI ACWI Ex US		5.6	11.5	-6.2	-6.1	22.8	-0.8	8.0
ARI Small Cap International	69,578,120	4.0	9.9	-	-	-	-	-
MSCI EAFE Small Cap		6.0	12.6	-7.1	-6.4	26.7	-2.2	10.6
Epoch Small Cap International	70,806,669	6.4	9.7	-	-	-	-	-
MSCI EAFE Small Cap		6.0	12.6	-7.1	-6.4	26.7	-2.2	10.6
Wasatch Small Cap International	72,858,890	8.3	15.0	-	-	-	-	-
MSCI EAFE Small Cap		6.0	12.6	-7.1	-6.4	26.7	-2.2	10.6
Wellington Small Cap International	70,911,817	7.1	15.2	-	-	-	-	-
MSCI EAFE Small Cap		6.0	12.6	-7.1	-6.4	26.7	-2.2	10.6
Legacy Private Equity Portfolio	57,634,653	-	-	-	-	-	-	-
Franklin Park Private Equity	28,665,277	-	-	-	-	-	-	-

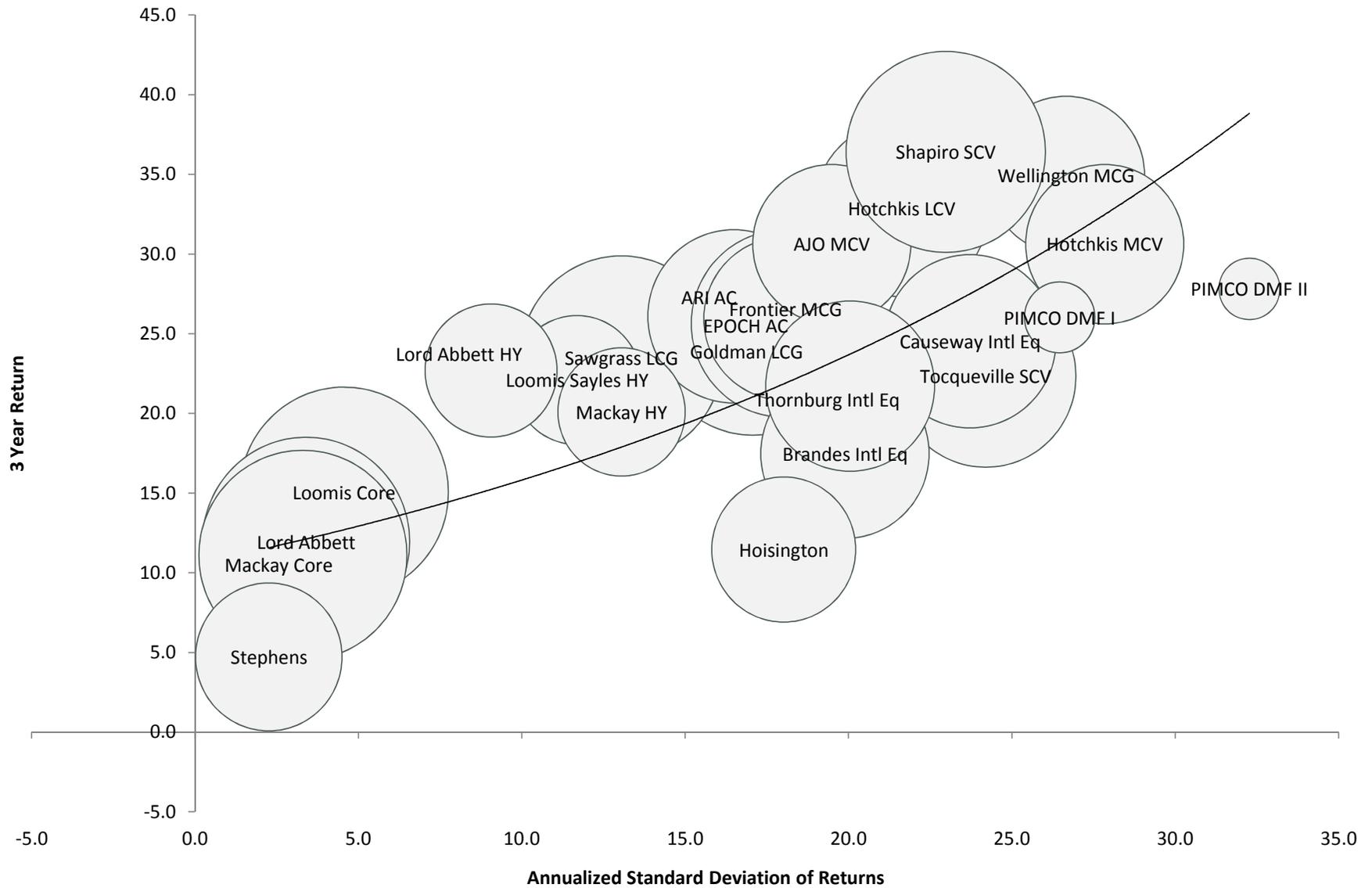
Fixed Income and Non-Core Portfolios Summary

As of February 29, 2012



	Market Value	Last Month	Last Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Hoisington	274,522,009	-2.7	0.5	34.6	39.5	11.5	11.1	-
<i>Barclays Aggregate</i>		0.0	2.0	5.9	8.4	7.5	6.4	5.7
Loomis Sayles	576,395,234	1.1	5.0	7.3	10.1	15.0	9.9	7.7
<i>Barclays Aggregate</i>		0.0	2.0	5.9	8.4	7.5	6.4	5.7
Lord Abbett	568,471,212	0.6	3.4	6.7	9.4	12.0	7.9	-
<i>Barclays Aggregate</i>		0.0	2.0	5.9	8.4	7.5	6.4	5.7
Mackay Shields	574,741,179	1.1	4.8	6.7	9.4	11.1	8.2	-
		0.0	2.0	5.9	8.4	7.5	6.4	5.7
Stephens	284,230,570	0.0	1.3	2.9	4.8	4.7	6.3	-
<i>Barclays Aggregate</i>		0.0	2.0	5.9	8.4	7.5	6.4	5.7
PIMCO Distressed Mortgage I	65,854,370	0.0	-6.1	-13.1	-8.1	26.0	-	-
<i>Barclays Aggregate</i>		0.0	2.0	5.9	8.4	7.5	6.4	5.7
PIMCO Distressed Mortgage II	49,074,928	0.0	-6.0	-16.1	-10.8	27.8	-	-
<i>Barclays Aggregate</i>		0.0	2.0	5.9	8.4	7.5	6.4	5.7
PIMCO BRAVO	51,752,791	0.0	0.2	4.3	6.2	-	-	-
<i>Barclays Aggregate</i>		0.0	2.0	5.9	8.4	7.5	6.4	5.7
Loomis Sayles High Yield	216,686,073	3.6	10.3	-0.6	1.0	22.1	-	-
<i>Merrill Lynch High Yield II</i>		2.3	2.3	2.3	2.3	2.3	2.3	2.3
Lord Abbett High Yield	230,929,786	2.4	8.4	5.2	7.0	22.7	-	-
<i>Merrill Lynch High Yield II</i>		2.3	2.3	2.3	2.3	2.3	2.3	2.3
Mackay Shields Yield	214,367,642	1.8	6.3	6.4	8.3	20.1	-	-
<i>Merrill Lynch High Yield II</i>		2.3	2.3	2.3	2.3	2.3	2.3	2.3
Chickasaw Capital MLP	154,837,937	6.7	17.4	21.7	23.9	-	-	-
<i>Alerian MLP Index</i>		2.3	2.3	2.3	2.3	2.3	2.3	2.3
FAMCO MLP	282,595,842	3.5	10.9	14.9	14.3	-	-	-
<i>Alerian MLP Index</i>		2.3	2.3	2.3	2.3	2.3	2.3	2.3
Swank MLP	142,756,768	3.1	11.0	14.4	14.6	-	-	-
<i>Alerian MLP Index</i>		2.3	2.3	2.3	2.3	2.3	2.3	2.3
AEW Real Estate	155,840,225	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>		0.0	3.0	6.6	-	-	-	-
Heitman Real Estate	156,309,732	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>		0.0	3.0	6.6	-	-	-	-
L&B Real Estate	124,746,993	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>		0.0	3.0	6.6	-	-	-	-

Three Year Risk/Return Review



Portfolio Summary - Net of Fees Returns



Portfolio	Market Value	Estimated Fee	Last Month	Last Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Year Annualized
Hotchkis & Wiley	\$ 405,064,239	0.33	4.9	12.4	1.6	32.5	-3.2	5.4
<i>Russell 1000 Value</i>			4.0	10.1	2.2	25.0	-1.1	4.8
Goldman Sachs	\$ 507,596,534	0.26	5.6	11.4	6.6	24.6	3.7	3.5
Sawgrass	\$ 543,589,464	0.35	4.3	10.3	11.9	23.1	3.4	-
<i>Russell 1000 Growth</i>			4.8	10.7	7.6	27.5	4.5	4.3
Advisory Research	\$ 391,600,726	0.33	2.0	6.9	3.8	25.8	0.1	-
EPOCH	\$ 458,156,884	0.44	5.0	10.4	3.5	25.2	3.2	-
<i>Russell 3000</i>			4.2	10.4	4.4	26.5	1.8	4.8
AJO Partners	\$ 331,686,065	0.55	4.5	11.1	5.4	30.1	2.9	8.0
Frontier Capital Managem	\$ 347,678,580	0.56	4.7	11.3	2.0	25.4	6.9	-
Wellington	\$ 325,830,285	0.45	4.2	12.8	-1.3	34.5	3.7	9.0
Hotchkis & Wiley Mid Cap	\$ 357,378,511	0.50	9.2	22.0	5.8	43.6	2.4	-
<i>Russell MidCap</i>			4.1	10.3	2.6	32.0	2.7	8.2
Shapiro Capital Managem	\$ 527,102,950	0.71	3.7	12.3	0.2	35.7	4.3	10.8
Tocqueville	\$ 377,607,406	0.66	2.7	13.0	-11.5	21.7	-1.3	6.8
<i>Russell 2000</i>			2.4	10.4	-0.2	29.5	1.8	7.0
Causeway Capital	\$ 392,003,526	0.35	7.3	14.5	-3.9	24.2	-0.6	-
Brandes	\$ 375,781,932	0.42	5.9	9.7	-8.0	17.1	-3.2	7.3
Thornburg	\$ 377,607,406	0.51	5.7	10.7	-6.7	21.2	2.7	-
<i>MSCI ACWI Ex US</i>			5.6	11.5	-6.1	22.8	-0.8	8.0
Advisory Research	\$ 69,578,120	0.70	4.0	9.7	-	-	-	-
Epoch	\$ 70,806,669	0.83	6.3	9.5	-	-	-	-
Wasatch	\$ 72,858,890	0.90	8.2	14.8	-	-	-	-
Wellington	\$ 70,911,817	0.98	7.0	14.9	-	-	-	-
<i>MSCI EAFE Small Cap</i>			6.0	12.6	-6.4	26.7	-2.2	10.6
Hoisington	\$ 274,522,009	0.15	-2.7	0.5	39.4	11.3	10.9	-
Loomis Sayles	\$ 576,395,234	0.15	1.1	5.0	10.0	14.9	9.8	7.6
Lord Abbett	\$ 568,471,212	0.17	0.6	3.4	9.2	11.8	7.7	-
Mackay Shields	\$ 574,741,179	0.21	1.1	4.8	9.1	10.9	8.0	-
Stephens	\$ 284,230,570	0.16	0.0	1.3	4.6	4.6	6.2	-
<i>Barclays Aggregate</i>			0.0	2.0	8.4	7.5	6.4	5.7
Loomis Sayles High Yield	\$ 216,686,073	0.50	3.5	10.2	0.5	21.6	-	-
Lord Abbett High Yield	\$ 230,929,786	0.38	2.3	8.3	6.7	22.3	-	-
Mackay Shields High Yield	\$ 214,367,642	0.45	1.8	6.2	7.9	19.7	-	-
<i>ML High Yield II</i>			2.3	7.9	6.2	25.2	7.9	9.2
Chickasaw MLP	\$ 154,837,937	0.80	6.7	17.2	23.1	-	-	-
FAMCO MLP	\$ 282,595,842	0.50	3.4	10.8	13.8	-	-	-
Swank MLP	\$ 142,756,768	0.45	3.0	10.9	14.2	-	-	-
<i>Alerian MLP Index</i>			4.2	12.3	13.4	37.9	13.8	17.3
Legacy Private Equity	\$ 57,634,653	-	-	-	-	-	-	-
Franklin Park	\$ 28,665,277	-	-	-	-	-	-	-
<i>Russell Mid Cap + 4.0%</i>			4.2	11.3	6.6	36.0	6.7	12.2
AEW Real Estate	\$ 155,840,225	0.83	-	-	-	-	-	-
Heitman Real Estate	\$ 156,309,732	0.82	-	-	-	-	-	-
L&B Real Estate	\$ 124,746,993	0.45	-	-	-	-	-	-
<i>NCREIF OEDCE</i>			0.0	3.0	-	-	-	-
PIMCO DMF I	\$ 65,854,370	-	-	-	-	-	-	-
PIMCO DMF II	\$ 49,074,928	-	-	-	-	-	-	-
PIMCO BRAVO	\$ 51,752,791	-	-	-	-	-	-	-
Total Fund	\$ 10,334,708,984	0.33	3.4	8.9	4.3	20.3	3.8	7.2
<i>Allocation Index</i>			2.9	8.1	5.0	21.2	3.3	6.6
<i>Actuarial Assumption</i>			0.6	1.9	8.0	8.0	8.0	8.0

Manager Status Summary

Manager	% of Total Portfolio	Mandate	Status	Reason - Date of Most Recent Change (term)
Sawgrass	5.3%	Large Cap Growth Equity	In Compliance	
Hotchkis & Wiley	3.9%	Large Cap Value Equity	In Compliance	
Advisory Research	3.8%	All Cap Equity	In Compliance	
EPOCH	4.4%	All Cap Equity	In Compliance	
AJO Partners	3.2%	Mid Cap Equity	In Compliance	
Frontier Capital Management	3.2%	Mid Cap Growth Equity	In Compliance	
Hotchkis & Wiley	3.4%	Mid Cap Value Equity	In Compliance	
Wellington	3.5%	Mid Cap Growth Equity	In Compliance	
Shapiro Capital Management	5.1%	Small Cap Value Equity	In Compliance	
Tocqueville	3.7%	Small Cap Value Equity	On Alert	Performance/Compliance - June 2012 (December 2011)
Brandes	3.6%	International Value Equity	On Notice	Performance - March 2011 (March 2012)
Causeway Capital	3.8%	International Value Equity	In Compliance	
Thornburg	3.7%	International Value Equity	In Compliance	
Advisory Research	0.7%	International Small Cap Equity	In Compliance	
Epoch	0.7%	International Small Cap Equity	In Compliance	
Wellington	0.7%	International Small Cap Equity	In Compliance	
Wasatch	0.7%	International Small Cap Equity	In Compliance	
Hoisington	2.7%	Fixed Income	In Compliance	
Loomis Sayles	5.6%	Fixed Income	In Compliance	
Lord Abbett	5.5%	Fixed Income	In Compliance	
Mackay Shields	5.6%	Fixed Income	In Compliance	
Stephens	2.8%	Fixed Income	In Compliance	
Loomis Sayles	2.1%	High Yield Fixed Income	In Compliance	
Lord Abbett	2.2%	High Yield Fixed Income	In Compliance	
Mackay Shields	2.1%	High Yield Fixed Income	In Compliance	
Chickasaw	1.5%	MLPs	In Compliance	
FAMCO	2.7%	MLPs	In Compliance	
Swank/Cushing	1.4%	MLPs	In Compliance	
AEW	1.5%	Real Estate	In Compliance	
Heitman	1.5%	Real Estate	In Compliance	
L&B Partners	1.2%	Real Estate	In Compliance	
Franklin Park (Legacy + FP)	0.8%	Private Equity	In Compliance	
Opportunistic Portfolio	1.6%			

RECOMMENDATION ON CONTRIBUTION RATE FOR GRANT MATCHING FUNDS

Projection of State Contributions as Percentage of Pay

Fiscal Year	Total Salaries	State Salaries	Federal Salaries	State Contribution	% of State Contribution to Salaries	Historical Matching Rate
2001	3,040,608,487	2,834,804,701	205,803,786	140,925,355	4.97%	7.00%
2002	3,146,886,264	2,890,275,756	256,610,508	141,057,868	4.88%	5.12%
2003	3,103,427,529	2,818,077,789	285,349,740	128,879,976	4.57%	5.00%
2004	3,030,749,000	2,740,918,889	289,830,111	143,100,533	5.22%	4.50%
2005	3,175,161,612	2,862,993,123	312,168,489	163,919,337	5.73%	4.50%
2006	3,354,876,252	3,032,993,092	321,883,160	202,200,425	6.67%	5.00%
2007	3,598,926,888	3,293,181,417	305,745,471	243,501,987	7.39%	7.00%
2008	3,751,436,376	3,447,508,419	303,927,957	266,761,597	7.74%	7.00%
2009	3,807,914,178	3,505,884,565	302,029,613	257,019,830	7.33%	7.50%
2010	3,854,772,123	3,502,120,230	352,651,893	227,926,247	6.51%	7.50%
2011	3,773,283,867	3,382,447,868	390,835,999	238,635,850	7.06%	6.50%
2012	3,905,348,802	3,500,833,544	404,515,259	273,936,890	7.82%	7.00%

Proposed matching rate for FY 2013 based on assumed increase in total salaries

3.5%	4,042,036,010	3,623,362,718	404,515,259	285,789,170	7.89%
2.5%	4,002,982,522	3,588,354,382	400,606,899	285,789,170	7.96%
1.5%	3,963,929,034	3,553,346,047	396,698,539	285,789,170	8.04%
0.0%	3,905,348,802	3,500,833,544	390,835,999	285,789,170	8.16%

Highlighted areas are estimates-State Contributions for FY-2012 and 2013 are based on revenue estimates presented to the State Equalization Board. Salaries are projected to increase as reflected above.

70 O.S. § 17-108 to read as follows:

A. Each local school district, or state college or university, or State Board of Education or State Board of Vocational and Technical Education, or other state agencies whose employees are members of the Teachers' Retirement System **shall match on a pro rata basis**, in accordance with subsection B of this section, the **contributions of members whose salaries are paid by federal funds or externally sponsored agreements such as grants, contracts and cooperative agreements**. These funds shall be remitted to the Teachers' Retirement System of Oklahoma and deposited in Retirement Benefit Fund.

B. On an annual basis, **the Board of Trustees shall set the contribution rate** to be paid by contributing employers as provided in subsection A of this section. The contribution rate shall be determined using cost principles established by federal regulations and shall be consistent with policies, regulations and procedures that apply uniformly to both federally assisted and other activities, and be accorded consistent treatment through application of generally accepted accounting principles. The Board shall approve the contribution rate for each fiscal year ending June 30, no later than April 1 of the previous fiscal year.

IT IS RECOMMENDED THE BOARD OF TRUSTEES SET THE MATCHING CONTRIBUTION RATE FOR THE YEAR BEGINNING JULY 1, 2012, AT 8.0%.

Respectfully submitted,

James R. Wilbanks, Ph.D.
Executive Director
March 28, 2011

*Teachers' Retirement System of Oklahoma
Client Status Update Report - Finance Division
February 29, 2012*

Board Meeting March 28, 2012

<i>Cash Basis</i>	February 2011	February 2012		
<i>Monthly Contributions:</i>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$20,588,446.40	\$22,416,107.04	\$1,827,660.64	8.88%
Employer Contributions	32,339,702.30	31,977,725.48	(361,976.82)	-1.12%
State Revenue	<u>23,216,706.88</u>	<u>26,111,715.33</u>	<u>2,895,008.45</u>	<u>12.47%</u>
Total Retirement Receipts	76,144,855.58	80,505,547.85	4,360,692.27	5.73%
 <i>Monthly Distributions:</i>				
Retirement Benefits	78,938,623.98	87,762,160.10	8,823,536.12	11.18%
Withdrawals and Death Benefits	<u>2,953,853.92</u>	<u>2,133,947.14</u>	<u>(819,906.78)</u>	<u>-27.76%</u>
Total Benefit Payments	<u>81,892,477.90</u>	<u>89,896,107.24</u>	<u>8,003,629.34</u>	<u>9.77%</u>
Net (Receipts - Payments)	<u>(\$5,747,622.32)</u>	<u>(\$9,390,559.39)</u>	<u>(\$3,642,937.07)</u>	<u>63.38%</u>
	Year to Date	Year to Date		
<i>Year to Date Contributions:</i>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$163,571,215.10	\$183,719,998.57	\$20,148,783.47	12.32%
Employer Contributions	245,131,891.96	240,066,415.37	(5,065,476.59)	-2.07%
State Revenue	<u>167,558,941.76</u>	<u>188,415,341.42</u>	<u>20,856,399.66</u>	<u>12.45%</u>
Total Retirement Receipts	576,262,048.82	612,201,755.36	35,939,706.54	6.24%
 <i>Year to Date Distributions:</i>				
Retirement Benefits	649,037,147.00	676,194,060.33	27,156,913.33	4.18%
Withdrawals and Death Benefits	<u>32,983,138.23</u>	<u>31,788,445.61</u>	<u>(1,194,692.62)</u>	<u>-3.62%</u>
Total Benefit Payments	682,020,285.23	707,982,505.94	25,962,220.71	3.81%
Net (Receipts - Payments)	<u>(\$105,758,236.41)</u>	<u>(\$95,780,750.58)</u>	<u>\$9,977,485.83</u>	<u>-9.43%</u>



OKLAHOMA TEACHERS RETIREMENT SYSTEM

Monthly Retirement Status Report - February 2012

Begin Date: 3/1/2012
End Date: 3/31/2012

New Retirements

Type	Count	Benefit Total
Disability	1	\$ 945.09
Early	6	\$ 4,040.91
Normal	52	\$ 97,245.77
Total	59	\$ 102,231.77

Terminated Retirements (134) (\$163,444.56)

Net Change (\$61,212.79)

Annuities Board Report

Begin Date: 4/1/2012

End Date: 4/30/2012

<u>Retirement Type</u>	<u>Retirement #</u>	<u>Annuitant Name</u>	<u>Begin Date</u>	<u>Amount</u>
Disability	D093390	LUIS J MORTON	4/1/2012	\$945.09
	1 annuities			\$945.09
Early	093295	GWENDOLYN S ALLEN	4/1/2012	\$199.92
	093309	STEPHEN H HUDSON	4/1/2012	\$848.62
	093365	FRANKIE L LAUDERDALE	4/1/2012	\$502.57
	093279	ANN R MCCALLA	4/1/2012	\$937.90
	093287	VIVIAN K TOMLINSON	4/1/2012	\$1,015.53
	093338	SHELLY J WILHELM	4/1/2012	\$536.37
	6 annuities			\$4,040.91
Normal	093299	RONI S ARCHER	4/1/2012	\$1,623.95
	093296	RHONDA K BEARD	4/1/2012	\$707.02
	093301	JEFFREY A BLOOMGARDEN	4/1/2012	\$1,902.06
	093302	CHARLES E BROWN	4/1/2012	\$4,018.51
	093239	ANTHONY W CHRISTIAN	4/1/2012	\$3,773.98
	093359	LINDA K CLOUSE	4/1/2012	\$2,459.50
	093303	KATHLEEN A CURRY	4/1/2012	\$758.72
	093305	HERSHEL E DAWES	4/1/2012	\$630.94
	093257	MARILYN H DONNELLY	4/1/2012	\$1,286.68
	093178	KARETHY A EDWARDS	4/1/2012	\$3,088.25
	093307	JUANITA L ELLIS	4/1/2012	\$135.96
	093308	GARY L ESTES	4/1/2012	\$2,297.90
	093345	RAYMOND GAGNE	4/1/2012	\$382.79
	093291	LINDA GREEN	4/1/2012	\$982.03
	093370	WANDA J GRESS	4/1/2012	\$1,701.39
	093367	VICKIE K HAYNES	4/1/2012	\$917.85
	093361	HATTIE M HUMPHREY	4/1/2012	\$2,006.31
	093216	LINDA W HUNTER	4/1/2012	\$1,011.10
	093318	JERRY L IRWIN	4/1/2012	\$917.64
	093346	RICK D JONES	4/1/2012	\$1,491.15
	093319	KAREN A KILLACKEY	4/1/2012	\$3,665.69
	093320	WILLIAM P KING	4/1/2012	\$5,244.45
	093362	CLAUDEEN L KINNEY	4/1/2012	\$2,900.59
	093387	KURTIS J KOLL	4/1/2012	\$3,542.56
	093332	LESLIE L LEWIS	4/1/2012	\$627.56
	093306	SUZANNE MARSHALL	4/1/2012	\$3,124.31
	093322	LANA J MCCALIP	4/1/2012	\$994.43
	093326	DAVID C MITCHELL	4/1/2012	\$1,381.76
	093327	SUSAN D MITCHELL	4/1/2012	\$2,748.85
	093366	RILLETTA G MORRISON	4/1/2012	\$619.77

Annuities Board Report

Begin Date: 4/1/2012

End Date: 4/30/2012

<u>Retirement Type</u>	<u>Retirement #</u>	<u>Annuitant Name</u>	<u>Begin Date</u>	<u>Amount</u>
	093328	WILLIAM F NIEMEIER	4/1/2012	\$1,375.83
	093289	ESMERALDO C PALOMAR	4/1/2012	\$3,015.24
	093234	SUZANNE A PARDUE	4/1/2012	\$190.96
	093329	JESSE J PETTIT	4/1/2012	\$2,884.14
	093290	JACQUELINE G POGUE	4/1/2012	\$525.20
	093288	JIMMY A PORTER	4/1/2012	\$1,890.63
	093333	GOSSIE L PRESSLEY	4/1/2012	\$1,537.50
	093179	RANDY J REAMES	4/1/2012	\$3,042.62
	093231	FREDA C REED	4/1/2012	\$822.65
	093334	KATHRYN A ROBERTS	4/1/2012	\$2,772.82
	093181	MARTHA L ROLLER	4/1/2012	\$3,337.15
	093199	JUNE M SCOTT	4/1/2012	\$596.22
	093336	MICHAEL T SHANAHAN	4/1/2012	\$2,562.39
	093340	VICTORIA A SNIDER	4/1/2012	\$204.27
	093192	BILLY D STALLINGS	4/1/2012	\$1,005.97
	093335	MARION K STERLING	4/1/2012	\$2,315.60
	093344	JOHN B SURMONT	4/1/2012	\$2,345.94
	093342	ROGER D SWART	4/1/2012	\$2,039.78
	093331	SANDRA E THOMPSON	4/1/2012	\$1,683.51
	093369	STEPHEN P THOMSON	4/1/2012	\$1,302.63
	093337	RICHARD E VROOMAN	4/1/2012	\$4,088.91
	093352	LINDA D WILSON	4/1/2012	\$762.11
		52 annuities		\$97,245.77
		59 annuities		\$102,231.77

Terminated

Begin Date: 3/1/2012
 End Date: 3/31/2012

Termination Type	Retire. #	Annuitant Name	Death Date	Termination	Benefit
Deceased	024426	WILLA M ABERCROMBIE	1/25/2012	3/1/2012	\$321.16
	029331	BOBBIE ADAMS	1/2/2012	3/1/2012	\$570.23
	008725	MERYLE G ALEXANDER	12/24/2011	3/1/2012	\$280.76
	055942	JERLEAN J ARMER	2/19/2012	3/1/2012	\$345.40
	067841	DARLENE D ARNOLD	2/29/2012	3/1/2012	\$711.66
	067853	LUVENIA L BAKER	2/23/2012	3/1/2012	\$350.88
	023506	ANNABELLE L BECK	1/17/2012	3/1/2012	\$459.78
	078779	ROD G BISHOP	2/23/2012	3/1/2012	\$1,443.26
	027475	ALICE M BRATTON	2/11/2012	3/1/2012	\$305.92
	045551	DELPHAS V BREWER	2/18/2012	3/1/2012	\$321.74
	030141	SANDRA S BROWN	12/26/2011	3/1/2012	\$494.00
	032313	PERLITA L BROWN	2/22/2012	3/1/2012	\$1,175.27
	034842	PERLITA L BROWN	2/22/2012	3/1/2012	\$1,731.69
	036279	SANDRA S BROWN	12/26/2011	3/1/2012	\$391.53
	033332	LLOYD R BROWNSWORTH	2/23/2012	3/1/2012	\$3,169.25
	073264	SHIRLEY A BURNES	2/18/2012	3/1/2012	\$1,917.47
	035692	CAROL A BURRIS	2/13/2012	3/1/2012	\$230.59
	040106	MILDRED J CARL	2/4/2012	3/1/2012	\$1,421.49
	043721	HAROLD CHASE	2/19/2012	3/1/2012	\$139.28
	031533	BETTY M CHEATHAM	2/26/2012	3/1/2012	\$1,169.96
	017854	ARIA COCHRAN	2/11/2012	3/1/2012	\$1,460.69
	034887	BARBARA L COFER	2/16/2012	3/1/2012	\$1,555.13
	035696	WILLIAM E COFER	2/27/2012	3/1/2012	\$1,199.31
	025366	CARRIE L COFFEE	2/23/2012	3/1/2012	\$341.74
	061075	BARBARA A COLEMAN	2/27/2012	3/1/2012	\$1,558.33
	025373	MARY F COMBS	2/22/2012	3/1/2012	\$1,649.42
	049404	KENNETH R COPPICK	11/19/2011	3/1/2012	\$954.46
	011324	LILLIAN S COUCH	2/20/2012	3/1/2012	\$720.03
	017707	ELIA H CREGG	2/25/2012	3/1/2012	\$794.94
	034013	EUGENE J DANIEL	1/3/2012	3/1/2012	\$507.49
	008588	GULAH V DARON	1/17/2012	3/1/2012	\$805.68
	033386	JUNE Y DAVIS	12/27/2011	3/1/2012	\$1,667.85
	045680	JANE C DOWDY	2/7/2012	3/1/2012	\$2,017.56
	029396	MURIEL ELLIS	2/15/2012	3/1/2012	\$1,205.63
	052400	BUDDY C EVANS	12/15/2011	3/1/2012	\$727.26
	042632	BETTIE S EZELL	2/23/2012	3/1/2012	\$230.26
	051123	STANLEY C FAST	12/30/2011	3/1/2012	\$325.07
	033439	JAMES C FITE	2/3/2012	3/1/2012	\$876.00
	024233	PAT FROST	3/1/2012	3/1/2012	\$1,882.70
	023689	MARIE L GOLD	1/2/2012	3/1/2012	\$1,420.55
	032835	MARIE L GREEN	2/25/2012	3/1/2012	\$1,521.05
	067771	PAULA J GRIGGS	2/10/2012	3/1/2012	\$468.90
	035002	ROBERT L HALEY	2/8/2012	3/1/2012	\$1,859.25
	030585	DONALD I HAMM	2/3/2012	3/1/2012	\$2,285.95
	024385	MARY J HAMON	2/1/2012	3/1/2012	\$656.34
	028776	DONNA A HAWKINS	2/29/2012	3/1/2012	\$2,318.43
	051794	MYRNA A HERSHBERGER	1/7/2012	3/1/2012	\$2,493.35
	045376	ARDELL G HIGGINBOTHAM	2/27/2012	3/1/2012	\$438.99
	032409	MARY A HITI	2/3/2012	3/1/2012	\$772.00
	028811	PAT HOFLER	2/5/2012	3/1/2012	\$2,841.14
	018149	ALMA C HOGAN	2/1/2012	3/1/2012	\$615.27
	046535	JACKIE D HOLMAN	1/19/2012	3/1/2012	\$1,070.25
	049864	ELVIN L HOLMES	12/31/2011	3/1/2012	\$323.45
	013552	LOLA D HUDSON	1/10/2012	3/1/2012	\$2,351.61
	067226	JUDITH K JENLINK	2/5/2012	3/1/2012	\$1,064.87

Terminated

Begin Date: 3/1/2012
 End Date: 3/31/2012

Termination Type	Retire. #	Annuitant Name	Death Date	Termination	Benefit
	033552	BERNITA JOHNSON	2/27/2012	3/1/2012	\$342.25
	035727	BOBBY R JONES	2/24/2012	3/1/2012	\$2,418.27
	045902	THOMAS R JONES	2/22/2012	3/1/2012	\$2,410.95
	028405	MARY E KETTLER	2/5/2012	3/1/2012	\$376.49
	023442	GEORGIA L KITCH	1/7/2012	3/1/2012	\$740.61
	045226	GARLAND L LANE	2/4/2012	3/2/2012	\$1,913.87
	023177	LENA E LAWSON	2/6/2012	3/1/2012	\$818.23
	032446	MARY B LEIKER	2/12/2012	3/1/2012	\$1,680.37
	026089	MARY S LINDE	2/9/2012	3/1/2012	\$1,814.06
	054722	JAMES E LOFTIN	1/25/2012	3/1/2012	\$1,757.00
	038512	SARAH K LOHRENZ	2/1/2012	3/1/2012	\$329.27
	036718	BETTY J LORETT	2/17/2012	3/1/2012	\$476.73
	067299	WILLARD LOVE	2/17/2012	3/1/2012	\$561.67
	023130	BETTY L MAHAFFAY	2/13/2012	3/1/2012	\$1,278.33
	024701	DELBERT R MAXWELL	2/18/2012	3/1/2012	\$1,994.00
	068508	JUDY P MCCLAIN	2/8/2012	3/1/2012	\$1,481.11
	049318	RODNEY W MCDONALD	2/16/2012	3/1/2012	\$2,081.32
	022554	ESTHER D MCNAIR	1/6/2012	3/1/2012	\$674.41
	027733	CAROLYN M MEYER	2/25/2012	3/1/2012	\$796.79
	024971	ELI MIZE	2/3/2012	3/1/2012	\$2,559.32
	043126	JO A MONTGOMERY	2/22/2012	3/1/2012	\$400.21
	020695	ZELDA L MORRIS	1/9/2012	3/1/2012	\$1,132.85
	D02941	SUSAN D MORRIS	2/27/2012	3/1/2012	\$790.11
	031957	ELLA V MOSS	2/8/2012	3/1/2012	\$1,031.58
	019326	ANDREW B MURRAY	2/3/2012	3/1/2012	\$1,859.35
	042239	BERTHA M NORMAN	2/7/2012	3/1/2012	\$450.86
	026322	BETTY G OGDEN	2/14/2012	3/1/2012	\$780.54
	047320	GERELINE OGG	12/17/2011	3/1/2012	\$535.95
	033695	MELVIN L OGLE	1/27/2012	3/1/2012	\$1,503.41
	044835	DONALD E PARKER	1/18/2012	3/1/2012	\$2,213.94
	053469	BOBBIE J PAYNE	1/9/2012	3/1/2012	\$2,282.39
	030199	JAMES G PEARCE	1/9/2012	3/1/2012	\$537.97
	037503	BILLYE B PERRYMAN	2/12/2012	3/1/2012	\$480.10
	012668	ETHEL D PHILLIPS	2/10/2012	3/1/2012	\$1,892.08
	044841	NORMA W PORTERFIELD	1/22/2012	3/1/2012	\$295.69
	074094	ARLENE C POWELL	1/4/2012	3/1/2012	\$2,290.73
	022115	HELEN E POWERS	1/3/2012	3/1/2012	\$1,388.76
	039716	PHILLIP W PRATZ	2/29/2012	3/1/2012	\$1,926.94
	065330	GLADYS A RAMBO	1/17/2012	3/1/2012	\$1,987.27
	026454	DONALD F RANDOLPH	1/6/2012	3/1/2012	\$1,810.92
	021734	JAMES T REID	2/17/2012	3/1/2012	\$1,049.64
	037599	DON K RESER	2/11/2012	3/1/2012	\$672.43
	043134	PAUL D RESLER	2/9/2012	3/1/2012	\$714.45
	037266	KENNETH O RICHEY	2/24/2012	3/1/2012	\$1,967.92
	075708	WILBERT L ROBERSON	2/5/2012	3/1/2012	\$633.34
	033765	WANDA F ROGERS	2/10/2012	3/1/2012	\$1,569.71
	033135	EDWARD J ROMINES	1/13/2012	3/1/2012	\$2,117.83
	020950	HARVEY ROUSH	2/26/2012	3/1/2012	\$1,384.09
	027360	MARY RUCKMAN	1/31/2012	3/1/2012	\$157.32
	040577	ROBERT J RUHL	2/3/2012	3/1/2012	\$271.30
	026996	BENNY R RUSSELL	2/7/2012	3/2/2012	\$1,631.09
	074220	LINDA S SCUDDER	11/7/2011	3/1/2012	\$2,694.20
	D02219	NANCY F SEAY	2/27/2012	3/1/2012	\$1,326.83
	023243	DORIS P SELF	2/14/2012	3/1/2012	\$1,097.99
	D01267	WILMA J SEXTON	2/27/2012	3/1/2012	\$363.41
	026594	MAE SHARP	2/16/2012	3/1/2012	\$919.17

Terminated

Begin Date: 3/1/2012
 End Date: 3/31/2012

Termination Type	Retire. #	Annuitant Name	Death Date	Termination	Benefit
	063629	DELVIN G SIMMONS	2/2/2012	3/1/2012	\$549.03
	020795	MILDRED SMITH	1/14/2012	3/1/2012	\$1,369.14
	022727	ONETA B SMITH	12/31/2011	3/1/2012	\$1,156.32
	035335	JUDITH A SMITH	2/23/2012	3/1/2012	\$1,759.85
	040635	DONALD G STAFFORD	2/27/2012	3/1/2012	\$2,731.20
	026670	BARBARA W STARKS	2/8/2012	3/1/2012	\$964.33
	018402	GWENDOLYN A STERR	1/26/2012	3/1/2012	\$497.61
	022744	JESSE STEWART	11/9/2011	3/1/2012	\$2,191.09
	032171	THERESA L SULLIVAN	1/11/2012	3/1/2012	\$2,603.75
	034674	EDWARD L SWIM	2/17/2012	3/1/2012	\$1,240.72
	064247	PATSY R TANKSLEY	2/25/2012	3/1/2012	\$2,662.40
	018471	VIOLA C TODD	2/26/2012	3/1/2012	\$799.78
	018472	VIOLA C TODD	2/26/2012	3/1/2012	\$965.49
	024118	ELIZABETH G UPCHURCH	1/12/2012	3/1/2012	\$1,348.93
	023341	MARIE L WALLACE	2/21/2012	3/1/2012	\$494.18
	038837	KENNETH J WARD	2/22/2012	3/1/2012	\$2,246.35
	052622	VIVIEN L WEEKS	2/24/2012	3/1/2012	\$2,164.17
	020110	LAVERNE WEST	1/17/2012	3/1/2012	\$1,628.57
	021617	EDGAR WEST	2/8/2012	3/1/2012	\$1,186.56
	071959	DIANE K WIDENER	2/16/2012	3/1/2012	\$913.96
	017648	LUCILLE M WILLIAMS	2/10/2012	3/1/2012	\$1,647.96
	038860	JUANITA E WILLIAMS	1/7/2012	3/1/2012	\$469.60
	014196	MADELEINE C WILLIS	2/15/2012	3/1/2012	\$1,253.88
134 Total					\$ 163,444.56

**DISABILITY RETIREMENT AS PROVIDED BY
70 O.S. 17-105 SOCIAL SECURITY DISABILITY
MARCH 8, 2012**

MEMBER NAME	RETIREMENT NUMBER	SSA EFFECTIVE DATE	RETIREMENT DATE
1. LUIS J MORTON		02/01/2012	March 2012

RETIREMENT PLANNING CONSULTANT

MARCH 8, 2012

DATE PREPARED

DISABILITY RETIREMENT NOT RECOMMENDED
MARCH 8, 2012

MEMBER NAME/COMMENTS

SEX/AGE

DATE OF BIRTH

NONE

RETIREMENT PLANNING CONSULTANT

MARCH 8, 2012

DATE PREPARED

DISABILITY RETIREMENT RE-EVALUATED
MARCH 8, 2012

RETIREMENT NUMBER	MEMBER NAME	SEX/AGE	DATE OF BIRTH	COMMENTS
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NONE

RETIREMENT PLANNING CONSULTANT

MARCH 8, 2012

DATE PREPARED

MEDICAL BOARD REPORT
MARCH 8, 2012

The Medical Board of the Teachers' Retirement System of Oklahoma met in the Board Room of the Teachers' Retirement System, located in the Oliver Hodge Building, 2500 North Lincoln Boulevard, 5th floor, Oklahoma City, Oklahoma 73105.

BOARD MEMBERS PRESENT:

George R. Jay, M.D.

Joseph Harroz, M.D.

OTHERS PRESENT:

Anthony W Gilliard, Retirement Planning Consultant

The following member's applications for Disability Retirement were presented and the Medical Board's action is noted beneath each name:

	MEMBER NAME/COMMENTS	SEX/AGE
1.	KAREN S BLANTON <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-54
2.	FRANK L CARDENAS <i>DISABILITY RETIREMENT RECOMMENDED</i>	M-59
3.	DOLORAS A CARLISLE <i>6 MONTHS TEMP. DISABILITY RETIREMENT RECOMMENDED</i>	F-61
4.	BRENDA D CHARLES <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-61
5.	LARRY G DICKERSON <i>DISABILITY RETIREMENT RECOMMENDED</i>	M-57
6.	ELLA L GRAY <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-53
7.	KEITH SUTTON <i>1 YEAR TEMP. DISABILITY RETIREMENT RECOMMENDED</i>	M-59

RETIREMENT PLANNING CONSULTANT

MARCH 8, 2012

DATE PREPARED

Priority - OTRS 2012+



Bill Portfolio

5 Bills On Report

HB2623



Paraphrase: HB2623, by Rep. Randy McDaniel, R-Edmond and Sen. Patrick Anderson, R-Enid, states that any member of the Teachers' Retirement System who is convicted of or pleads guilty or nolo contendere to a felony in a state or federal court is to forfeit all retirement benefits, but such forfeiture shall not occur if any such member received a deferred sentence, although retirement benefits will not commence prior to completion of the deferred sentence. It states that forfeiture of retirement benefits does not include the member's contributions to TRS or benefits that are vested on the effective date of the act. The bill states that the forfeiture requirement will also apply to any member of the system who, after leaving active contributory employment, is convicted of or pleads guilty or nolo contendere to in a state or federal court a felony committed while in his/her employment or related to campaign contributions or campaign financing for that or any other office. It states that the suspension or forfeiture of benefits will continue until the conviction or guilty plea is reversed by the highest appellate court to which it may be appealed. (Amended by House) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2012 **Emergency:** No

Principal Authors: McDaniel, Randy (H); Anderson, Patrick (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/15/2012

Committee(1): Retirement & Insurance (S)

HB2684



Paraphrase: HB2684, by Rep. Gary Banz, R-Midwest City and Sen. John Ford, R-Bartlesville, modifies the definition of "school personnel" as it relates to eligibility for benefits, including a full-time school employee who is employed a minimum of six hours per day for a minimum of 1,032 hours per year. (Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: Banz, Gary (H); Ford, John (S)

Status: S Dual Assigned Bill **Status Date:** 03/08/2012

Committee(1): Retirement & Insurance (S)

Committee(2): Appropriations (S)

SB0194



Paraphrase: SB0194, by Sen. David Myers, R-Ponca City and Rep. Steven Vaughan, R-Ponca City, modifies retirement options under the Teachers Retirement System. It states that if a spouse is designated as the beneficiary under options 2 or 3 and the spouse dies after the member's effective date of retirement and the member subsequently remarries, the member may make a one-time, irrevocable election per each subsequent marriage within one year of the marriage to

reselect option 2 or 3 and name the new spouse as the designated beneficiary. The bill requires a medical examination to prove the member's good health before he/she may change options. (Amended by House, Amended by Senate, Carryover Bill, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** No

Principal Authors: Myers, David (S); Vaughan, Steven (H)

Status: Conference Requested **Status Date:** 03/13/2012

SB1001



Paraphrase: SB1001, by Sen. Gary Michael Stanislawski, R-Tulsa and Rep. Marty Quinn, R-Claremore, prohibits members of the Teachers' Retirement System who are convicted or pleaded nolo contendere to certain felony crimes from receiving retirement benefits. (Amended by Senate, Stricken Title, Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** Yes

Principal Authors: Stanislawski, Gary Michael (S); Quinn, Marty (H)

Status: H First Reading **Status Date:** 03/14/2012

SB1102



Paraphrase: SB1102, by Sen. Patrick Anderson, R-Enid and Rep. Todd Thomsen, R-Ada, creates the Teachers' Retirement System Cost-of-Living Adjustment Revolving Fund. It states that expenditures from the fund will be made pursuant to legislative appropriations to pay for the cost of legislatively authorized cost-of-living adjustment for the retirees or beneficiaries of the system. (Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: Anderson, Patrick (S); Thomsen, Todd (H)

Status: H First Reading **Status Date:** 03/06/2012

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Priority - Retirement 2012+



Bill Portfolio

9 Bills On Report

HB2319

Paraphrase: HB2319, by Rep. Randy McDaniel, R-Edmond and Sen. Patrick Anderson, R-Enid, increases the amount municipalities are to provide for support of the Oklahoma Police Pension and Retirement System to 14 percent of the actual paid base salary of each member of the system employed by the municipality beginning July 1, 2012, and for each fiscal year thereafter. It also increases from 8 percent to 9 percent the member's contribution requirement. It also increases from 14 to 15 percent the amount of taxes collected on insurance premiums to be allocated to the system. (Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2011 **Emergency:** Yes

Principal Authors: McDaniel, Randy (H); Anderson, Patrick (S)

Status: S Dual Assigned Bill **Status Date:** 03/08/2012

Committee(1): Retirement & Insurance (S)

Committee(2): Appropriations (S)

HB2320

Paraphrase: HB2320, by Rep. Randy McDaniel, R-Edmond and Sen. Patrick Anderson, R-Enid, modifies language related to deferred option plans of the Oklahoma Firefighters Pension and Retirement System, directing for any period of time beyond the five-year period that the rate of interest upon the account balance be 7.5 percent per annum on deferred option plans and be applicable for all accounts in existence prior to July 1, 2012, as well as those created on or after July 1, 2012.. It increases from 8 to 9 percent the amount to be deducted monthly from a municipal fire department member's salary for contributions to the system. It directs municipalities beginning July 1, 2012, and for each fiscal year thereafter to direct to the system 14 percent of the total actual paid gross salaries of the members of the fire department. The bill also increases from 34 to 36 percent the amount of insurance premium taxes to be allocated to the Firefighters Pension and Retirement Fund. (Amended by House, Emergency Measure, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: McDaniel, Randy (H); Anderson, Patrick (S)

Status: S Dual Assigned Bill **Status Date:** 03/08/2012

Committee(1): Retirement & Insurance (S)

Committee(2): Appropriations (S)

HB2321  **Paraphrase:** HB2321, by Rep. Randy McDaniel, R-Edmond and Sen. Patrick Anderson, R-Enid, modifies language related to the Oklahoma Public Employees Retirement System, directing that for members who join the system on or after Nov. 1, 2012, unused sick leave is to be credited at the same rate but not used to round up another year. Instead, it directs any additional months of unused sick leave credit to be added to other service credit without rounding. It also states that for members joining the system on or after Nov. 1, 2012, the number of years of credited service is to be based on actual years and months of credited service without rounding up or down. (Amended by House, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2012 **Emergency:** No

Principal Authors: McDaniel, Randy (H); Anderson, Patrick (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/08/2012

Committee(1): Retirement & Insurance (S)

HB2322  **Paraphrase:** HB2322, by Rep. Randy McDaniel, R-Edmond and Sen. Bill Brown, R-Broken Arrow, removes language directing the Oklahoma Public Employees Retirement System Board of Trustees to adopt a cost of living adjustment actuarial assumption in its annual actuarial valuation report. It also states that elected officials who are first elected or appointed on or after Nov. 1, 2011, are eligible to make the election of an alternate multiplier and contribution rate. The bill also modifies retirement benefits for elected officials first elected or appointed to elected office on or after Nov. 1, 2011, who have a minimum of 10 years of participating service, directing that 100 percent benefits are available for those age 62, rather than 65, with 93.33 percent of benefits available for those age 61, and 86.67 percent of benefits available for those age 60. It repeals language directing the executive director of the system to keep records on Members Accumulated Contribution Reserve, Retirement Benefit Accumulation Reserve and Retirement Benefit Payment Reserve. (Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: McDaniel, Randy (H); Brown, Bill (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/08/2012

Committee(1): Retirement & Insurance (S)

HB2952  **Paraphrase:** HB2952, by Rep. Randy McDaniel, R-Edmond and Sen. Patrick Anderson, R-Enid, requires the Department of Public Safety, Oklahoma State Bureau of Investigation, Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, Oklahoma Alcoholic Beverages Control Board, Oklahoma Tourism and Recreation Department and State Board of Pharmacy to contribute to the Oklahoma Law Enforcement Retirement System an amount equal to 11 percent of the actual paid base salary of each member employed after Nov. 1, 2012. It requires each member of the system to make contributions to the fund in an amount equal to 9 percent of the actual paid base salary of each member employed after Nov. 1, 2012. (Amended by House, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2012 **Emergency:** No

Principal Authors: McDaniel, Randy (H); Anderson, Patrick (S)

Status: S Dual Assigned Bill **Status Date:** 03/15/2012

Committee(1): Retirement & Insurance (S)

Committee(2): Appropriations (S)

HJR1091



Paraphrase: HJR1091, by Rep. Randy McDaniel, R-Edmond and Sen. Patrick Anderson, R-Enid, proposes a constitutional amendment prohibiting the Legislature from enacting legislation conflicting with federal law that prohibits the use of retirement plan assets for something other than benefit payments. It requires public pension plan assets be made by public retirement systems, directing they be made with the care, skill, prudence and diligence under circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. It states that each public pension plan receive an amount of money recommended by its actuary to maintain the plan in good financial condition except if the amount required by those plans was more than 10 percent of the amount certified by the State Board of Equalization in February each year or if the Legislature passed a measure by three-fifths vote to suspend the requirement. It further requires the Legislature to have proposed legislation that could affect a retirement system reviewed by a professional actuary and establish standards to adequately fund public pension systems. (Amended by House, Committee Substitute, Constitutional Amendment) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** No

Principal Authors: McDaniel, Randy (H); Anderson, Patrick (S)

Status: S Dual Assigned Bill **Status Date:** 03/08/2012

Committee(1): Retirement & Insurance (S)

Committee(2): Appropriations (S)

SB1001



Paraphrase: SB1001, by Sen. Gary Michael Stanislawski, R-Tulsa and Rep. Marty Quinn, R-Claremore, prohibits members of the Teachers' Retirement System who are convicted or pleaded nolo contendere to certain felony crimes from receiving retirement benefits. (Amended by Senate, Stricken Title, Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** Yes

Principal Authors: Stanislawski, Gary Michael (S); Quinn, Marty (H)

Status: H First Reading **Status Date:** 03/14/2012

SB1264  **Paraphrase:** SB1264, by Sen. Dan Newberry, R-Tulsa and Rep. Randy McDaniel, R-Edmond, creates the Oklahoma Debt Reduction Fund. It directs the Office of State Finance each July 1, or as soon thereafter as feasible, to transfer to the fund 30 percent of any surplus funds that are in excess of the funds required to be deposited into the Constitutional Reserve Fund that accrue to the General Revenue Fund for the immediately preceding fiscal year. It states that if one or more of the state pension systems has a funded ratio of less than 80 percent, the Debt Reduction Fund shall be allocated by legislative appropriation to reduce the unfunded liability of any one or any combination of pension systems. If each pension system has a funded ratio of at least 80 percent, the bill directs the fund to be allocated by legislative appropriation to reduce the bonded indebtedness of the state. The bill directs any amounts not appropriated by the Legislature to revert to the fund from which they came. The bill limits the use of the remaining 70 percent of the money to be appropriated for one-time or nonrecurring expenditures. (Amended by Senate, Stricken Title, Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: Newberry, Dan (S); McDaniel, Randy (H)

Status: H First Reading **Status Date:** 03/14/2012

SB1588  **Paraphrase:** SB1588, by Sen. Don Barrington, R-Lawton and Rep. Don Armes, R-Faxon, allows the Oklahoma Firefighters Pension and Retirement Board to permit the use of electronic media to provide applicable notices and make elections and consent. It permits any assets of the Oklahoma Firefighters Pension and Retirement System to be invested in a collective investment fund or group trust that satisfies the requirements of certain rules. It provides that the amount that the actuarially equivalent straight life annuity is equal to for limitation years beginning on or after July 1, 2008. It states that the benefits accrued up to a date of termination or continuance shall be nonforfeitable effective July 1, 2011. (Amended by Senate, Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** Yes

Principal Authors: Barrington, Don (S); Armes, Don (H)

Status: H First Reading **Status Date:** 03/07/2012

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10 Bills On Report



Paraphrase: HB2621, by Rep. Dennis Johnson, R-Duncan and Sen. Mike Mazzei, R-Tulsa, removes language allowing tax credits for coal production to be freely transferable at any time during the five years following the year of qualification. It also removes language allowing tax credits for zero-emission facilities to be freely transferable during the 10 years following the year of qualification. It also removes language allowing tax credits for the manufacture of small wind turbines to be transferable during the 10 years following the year of qualification. The bill also removes language allowing tax credits for qualified rehabilitation expenditures to be transferable for five years following the year of qualification. It removes language allowing tax credits for construction of energy efficient residential property to be freely transferable. It also removes language allowing tax credits for qualified railroad construction or replacement expenditures to be freely transferable for five years following the year of qualification. The bill clarifies that the changes are not applicable to any tax credit earned prior to Jan. 1, 2012, any credit transferred prior to Jan. 1, 2012, or any credit eligible to be carried forward prior to Jan. 1, 2012. (Amended by House, Stricken Title, Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** Yes

Principal Authors: Johnson, Dennis (H); Mazzei, Mike (S)

Status: S First Reading **Status Date:** 03/15/2012



Paraphrase: HB2710, by Rep. Mike Jackson, R-Enid and Sen. Patrick Anderson, R-Enid, requires every person who maintains a machine at a retail establishment that enables any person to process tobacco or any product that is made or derived from tobacco into a roll or tube to be deemed a manufacturer of cigarettes and that the resulting product shall be deemed to be cigarettes sold to a consumer. (Amended by House, Emergency Measure, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: Jackson, Mike (H); Anderson, Patrick (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/15/2012

Committee(1): Finance (S)



Paraphrase: HB2978, by Rep. David Dank, R-Oklahoma City and Sen. Mike Mazzei, R-Tulsa, requires any measure providing for a tax credit to contain provisions pursuant to which any member of the public can determine the identity of any person or entity that benefits from the tax to be reduced. It requires any tax credit to provide for the creation of new jobs or the retention of existing jobs in Oklahoma. It states that any tax credit will be limited based upon the total amount

of credits that may be claimed by one taxpaying entity or based on the total amount of credits that may be claimed by all taxpaying entities, or both such limitations. The bill requires any tax credit passed by the Legislature to contain a date certain for the termination of the provisions authorizing the credit. It prohibits an economic activity that qualifies for a tax credit to occur without the project costs receiving prior approval by a state governmental entity to be designated by the Legislature. The measure also states that transactions for which a tax credit has been authorized and that result in a reduction or potential reduction of state revenue to be audited by the state auditor and inspector. It prohibits any measure containing a tax credit from receiving final passage by either chamber of the Legislature unless a detailed fiscal impact is prepared, and it requires such impact statements to be made available at least 24 hours prior to a vote on final passage of the measure. It prohibits any measure containing a tax credit from being considered during the last five days of a regular or extraordinary session of the Legislature. (Amended by House, Stricken Title, Emergency Measure, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: Dank, David (H); Mazzei, Mike (S)

Status: S First Reading **Status Date:** 03/15/2012

HB3038



Paraphrase: HB3038, by Rep. Leslie Osborn, R-Tuttle and Sen. Clark Jolley, R-Edmond, requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 2.25 percent for the 2013 tax year. It requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 2 percent for the 2014 tax year. It requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 1.75 percent for the 2015 tax year. It requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 1.5 percent for the 2016 tax year. It requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 1.25 percent for the 2017 tax year. The bill requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 1 percent for the 2018 tax year. It requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 0.75 percent for the 2019 tax year. It requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 0.5 percent for the 2020 tax year. It requires single individuals and married individuals filing jointly to pay maximum state income tax rate of 0.25 percent for the 2021 tax year. It provides for no income tax for 2022 and all subsequent tax years. It removes language related to exemptions from taxable income. It removes language related to further adjustments to a person's Oklahoma adjusted gross income to arrive at Oklahoma taxable income. It modifies language relating to the amount of revenue generated by the Oklahoma Sales Tax Code to be deposited to the credit of the General Revenue Fund and Teachers' Retirement System Dedicated Revenue Revolving Fund. It requires 0.5 percent of revenue generated by the Oklahoma Sales Tax Code to be apportioned to the Ad Valorem Reimbursement Fund for the fiscal year ending June 30, 2014, and each of the succeeding four fiscal years. The measure requires 0.75 percent of revenue generated by the Oklahoma Sales Tax Code to be apportioned to the Ad Valorem Reimbursement Fund for the fiscal year ending June 30, 2019, and each fiscal year thereafter. The bill states that for tax years beginning after Dec. 31, 2012, the tax exemption for retirement benefits received by federal civil service retirees, including survivor annuities, paid in

lieu of Social Security benefits, is allowed if the adjusted gross income of the taxpayer is less than \$80,000 for the tax year for which the exemption is claimed. It repeals a section of law related to exceptions and refunds for prisoners of war or people missing in action. It repeals a section of law related to income tax exemptions for deceased members of the armed forces. It repeals a section of law related to deductions for political contributions. It repeals a section of law related to tax exemptions for Oklahoma debt. (Amended by House, Stricken Title, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** No

Principal Authors: Osborn, Leslie (H); Jolley, Clark (S)

Status: Engrossed - House **Status Date:** 03/15/2012

HB3061



Paraphrase: HB3061, by Rep. Kris Steele, R-Shawnee and Sen. Brian Bingman, R-Sapulpa, creates the Oklahoma Tax Reduction and Simplification Act. It states that for taxable years beginning Jan. 1, 2013, and ending Dec. 31, 2014, there will be a 0 percent tax for single persons with a taxable income not exceeding \$15,000; 2.25 percent tax on all income equal to or more than \$15,000 but not exceeding \$35,000; and a 3.5 percent tax on all income equal to or more than \$35,000. It states that beginning Jan. 1, 2013, and ending Dec. 31, 2014, there will be a 0 percent tax on married persons filing jointly, head of household and surviving spouse with a taxable income not in excess of \$30,000; a 2.25 percent tax on taxable income equal to or more than \$30,000 but not in excess of \$70,000; and a 3.5 percent tax on all income equal to or more than \$70,000. It states that for tax years beginning Jan. 1, 2013, and ending Dec. 31, 2014, there will be a 0 percent tax on income not exceeding \$15,000 for married persons filing separately; 2.25 percent tax on income equal to or more than \$15,000 but not exceeding \$35,000; and a 3.5 percent tax on income equal to or more than \$35,000. The bill states that for tax years beginning on or after Jan. 1, 2015, the individual income tax rate of 3.5 percent may be decreased in increments of 0.25 based upon a growth in state revenue certification equal to or greater than 5 percent. It allows incremental reductions until the 3.5 percent tax rate equals zero. It states that for the first tax year after the individual income tax rate of 3.5 percent is zero and for each tax year thereafter, the individual income tax rate of 2.25 percent otherwise authorized may be decreased in increments of 0.25 based upon a growth in state revenue of 5 percent, and such reductions may occur until the tax rate equals zero. The measure further states that after the individual income tax rate of 2.25 percent and 3.5 percent are zero, the state will not impose any income tax on the taxable income of individuals. It provides criteria for the State Board of Equalization to make revenue growth determinations. The measure removes language regarding the income tax credit for resident and nonresident members of the Armed Forces for child care expenses and the tax credit for manufacturing establishment operators for gas used or consumed in the operation of a manufacturing establishment. It sunsets on Dec. 31, 2014, the one-time tax credit for investments in qualified clean-burning motor vehicle fuel property. The measure also removes language regarding the exemption from adjusted gross income of 15 percent of the investment by an owner in new or expanded agricultural commodity processing facilities being adjusted annually so the total estimated reduction in tax liability does not exceed \$1 million annually. It also removes language allowing all qualified wages equal to the federal income tax credit to be deducted from taxable income; the \$1,000 tax exemption for employer use of the Safety Pays OSHA Consultation

Services; the addition to Oklahoma income equal to the amount of deferred income not included in taxable income under the American Recovery and Reinvestment Act; the \$1,000 adjustment for personal exemptions allowed by the Internal Revenue Code; the \$1,000 exemption for each taxpayer or spouse who is blind at the close of the tax year; the \$1,000 exemption for each taxpayer or spouse who is 65 or older at the close of the tax year; the adjustment to allow a standard deduction in lieu of the standard deduction equal to the larger of 15 percent or \$1,000; and the adjustment to allow the standard deduction in lieu of the standard deduction allowed by the Internal Revenue Code. It removes language regarding itemized deductions including moving expenses. It removes language regarding an income tax deduction for a resident individual with a physical disability constituting a substantial handicap to employment. It removes language stating that amounts received as dividends or distributions of earnings from savings and loan associations or credit unions in Oklahoma and interest received on savings accounts and time deposits from such sources qualify as dividends for the purpose of the dividend exclusion. It removes language providing an income tax exemption for retirement benefits not exceeding \$10,000 received from the civil service or state or municipal pension systems. It removes language providing an income tax exemption for Social Security benefits; the exemption for lump-sum distributions from employer plans of deferred compensation that are not qualified plans; the exemption for contributions to and interest from medical savings accounts; the adjustment for taxpayers who are swine or poultry producers who have new construction or expansion costs; the exemption for an individual engaged in production agriculture; the exemption for any scholarship or stipend received from participation in the Oklahoma Police Corps Program; the exemption for retirement benefits received from any component of the Armed Forces; the exemption for retirement benefits from federal civil service retirement; the exemption for income received by the beneficiary of a death benefit for an emergency medical technician or registered emergency medical responder; the increase in taxable income for unemployment compensation exempted under the Internal Revenue Code; the exemption for awards received via participation in a competitive livestock show event; and the deduction for qualifying gains receiving capital treatment. The bill repeals current language regarding income tax cuts being dependent on the State Board of Equalization making a determination of revenue growth; tax credits for investment in qualified depreciable property used in manufacturing; the tax credit for contributions to the Energy Conservation Assistance Fund; the tax credit for investments in qualified venture capital companies; the Oklahoma Coal Production Incentive Act; the tax credit for investments in qualifying projects to encourage the development of commercial space industries; the income tax deduction for individuals who sell to the state real property that was the site of a historic battle during the 19th century and is or has been designated a National Historic Landmark; the tax credit for direct investments by Oklahoma agricultural producers in Oklahoma producer-owned agricultural processing cooperatives, producer-owned agricultural processing ventures or producer-owned agricultural processing marketing associations; the tax credit limit placed on recreational activities groups; the tax credit for employers incurring eligible expenses in connection with providing child care services; the tax credit for eligible expenses incurred by entities primarily engaged in providing child care services; the freely transferable tax credit in eligible investments; the tax credit for owners of residential real property whose primary residence was damaged or destroyed in the May 3, 1999, tornado, during the Oct. 9, 2001, tornado, during the May 8 or 9, 2003, tornado; the small business tax credit; the tax credit for employers that offer and pay for half of basic health benefits to all employees after not doing so for the 15 preceding months; the tax credit for having a

wind or photovoltaic energy system installed on residential property; the tax credit for the production and sale to an unrelated person of electricity generated by zero-emission facilities in the state; the tax credit for manufacturers of advanced small wind turbines; the tax credit for amounts paid by a taxpayer operating one or more food service establishments for immunizations against Hepatitis A for employees; incentives offered under the Oklahoma Tourism Development Act for music production, film and digital media production and postproduction facilities and tourism attraction projects; the tax credit for qualified rehabilitation expenditures in connection with certified historic hotel or historic newspaper plant buildings located in an increment or incentive district or qualified rehabilitation expenditures in connection with any certified historic structure; the tax credit for eligible investments in a qualified space transportation vehicle provider; the tax credit equal to 5 percent of the earned income tax credit allowed under the Internal Revenue Code; the tax credit for donations to an independent biomedical research institute and donations to a cancer research institute; the tax credit for eligible expenditures incurred by a contractor in the construction of energy efficient residential property of 2,000 square feet or less; the tax credit for eligible wages paid to an employee who is injured as a result of an injury that is compensable under the Workers' Compensation act and the employee returns to work with restricted duties; the tax credit for eligible modification expenses to modify a workplace, tools or equipment to enable a specific injured employee who is injured as a result of an injury that is compensable under the Workers' Compensation Act; the tax credit for investments in new qualified recycling facilities; tax credits authorized under the Small Business Capital Formation Incentive Act; the tax credit for ethanol facilities; the tax credit for biodiesel facilities; tax credits authorized under the Rural Venture Capital Formation Incentive Act; the tax credit for ad valorem taxes exempted for an enterprise locating a new facility within or expanding an existing facility within an enterprise zone; the tax credit for the purchase and transportation of poultry litter; the tax credit for a portion of the profit made by a taxpayer from investing in an existing Oklahoma film or music project; the tax credit for the cost of the purchase of a dry fire hydrant or the cost to provide an acceptable means of water storage for such dry fire hydrant; tax credits granted under the Railroad Modernization Act of 2005; definitions related to qualified business enterprises and qualified capital expenditures; the tax credit for qualified direct costs associated with the operation of a business enterprise that rears specially trained canines; a provision allowing a taxpayer to treat the cost of qualified refinery property as an expense that is not chargeable to a capital account, which is eligible for a tax deduction; a provision allowing a refiner to allocate all or a portion of the cost of complying with sulfur regulations from the Environmental Protection Agency as a tax deduction; the Oklahoma Equal Opportunity Education Scholarship Act; the tax credit for electronic funds transfers paid by an individual or entity; the one-time tax credit for electric motor vehicle manufacturers for electric motor vehicles, medium-speed electric motor vehicles and low-speed electric motor vehicles; the tax credit for any state banking association, national banking association and credit union for the amount of the guaranty fee paid to the U.S. Small Business Administration under a loan guaranty program; the tax credit for any state banking association, national banking association or credit union in the amount of the origination fee paid to the U.S. Department of Education under the Stafford loan guaranty program for an Oklahoma resident; claims for property tax relief for persons age 65 or older or any totally disabled person with a gross household income not exceeding \$12,000; provisions of the Sales Tax Relief Act; and the tax credit for a net increase in the number of full-time equivalent employees engaged in computer services, data processing or research and

development. (Amended by House, Stricken Title, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 01/01/2013 **Emergency:** No

Principal Authors: Steele, Kris (H); Bingman, Brian (S)

Status: S First Reading **Status Date:** 03/15/2012

HB3110

Paraphrase: HB3110, by Rep. Earl Sears, R-Bartlesville and Sen. Eddie Fields, R-Wynona, states that for the purposes of Article X, Section 6 of the Oklahoma Constitution, livestock owned by a general partnership, limited partnership, corporation, limited liability company, estate, trust or other lawfully recognized entity, the primary purpose of which is to confer the economic benefits on two or more members of the same family, are deemed to be livestock employed in support of the family. It states that a surviving spouse with no other family members shall continue to be eligible for the exempt treatment of livestock used for his/her support. (Amended by House, Dormant, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2012 **Emergency:** No

Principal Authors: Sears, Earl (H); Fields, Eddie (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/15/2012

Committee(1): Finance (S)

SB1437

Paraphrase: SB1437, by Sen. Mike Mazzei, R-Tulsa and Rep. David Dank, R-Oklahoma City, imposes a tax on the taxable income of every resident or nonresident individual for all taxable years beginning on or after Jan. 1, 2008, and before Jan. 1, 2012. It provides a maximum 5.5 percent tax for individuals for the 2008 tax year through the 2011 tax year. It provides a maximum 5.5 percent tax for married individuals filing jointly for the 2008 tax year through the 2011 tax year. It provides a maximum 5.25 percent tax on individuals and married individuals filing jointly for the taxable year beginning on Jan. 1, 2012. It provides a maximum 5 percent tax on individuals and married individuals filing jointly for the taxable year beginning on Jan. 1, 2013. It provides a maximum 4.75 percent tax on individuals and married individuals filing jointly for the taxable year beginning on Jan. 1, 2014. It allows a decrease in the top marginal individual income tax rate contingent upon a determination made by the State Board of Equalization. It imposes a tax on the Oklahoma taxable income of every corporation doing business within this state or deriving income from sources within this state in an amount equal to 5 percent thereof for all taxable years beginning on or after Jan. 1. The bill also removes language related to the State Board of Equalization. (Amended by Senate, Stricken Title) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 01/01/2013 **Emergency:** No

Principal Authors: Mazzei, Mike (S); Dank, David (H)

Status: H First Reading **Status Date:** 03/15/2012

SB1571

Paraphrase: SB1571, by Sen. Clark Jolley, R-Edmond and Rep. Leslie Osborn, R-Tuttle, provides funding for the Rebuilding Oklahoma Access and Driver Safety Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the Public Transit Revolving Fund to the purposes of the Oklahoma Sales Tax Code. It modifies the apportionment of sales tax revenue to the General Revenue Fund, apportioning 83.61 percent of the revenue to the fund through fiscal year 2013 and 82.61 percent for FY2014 and fiscal years thereafter. It also provides that beginning July 1, 2013, and each fiscal year thereafter that 1 percent of the revenue will be placed in the Ad Valorem Reimbursement Fund. It sets a maximum tax rate of 5.25 percent for individuals and married individuals filing jointly for the taxable year starting Jan. 1, 2012. It prohibits a tax from being imposed for taxable years beginning on or after Jan. 1 for any single individual whose Oklahoma taxable income is equal to or less than \$8,700 or married individuals filing jointly whose taxable income is equal to or less than \$15,000. It sets a maximum tax rate of 5.25 percent for individuals and married individuals filing jointly for the taxable year starting Jan. 1, 2012. It prohibits a tax from being imposed for taxable years beginning on or after Jan. 1 for any single individual whose Oklahoma taxable income is equal to or less than \$8,700 or married individuals filing jointly whose taxable income is equal to or less than \$15,000. It sets a tax rate of 2.5 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2013. It sets a tax rate of 2.25 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2014. It sets a tax rate of 2.0 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2015. It sets a tax rate of 1.75 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2016. It sets a tax rate of 1.5 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2017. It sets a tax rate of 1.25 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2018. It sets a tax rate of 1.0 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2019. It sets a tax rate of .75 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2020. It sets a tax rate of .5 percent on the Oklahoma taxable income of every resident or nonresident individual for the taxable year beginning Jan. 1, 2021. It prohibits a tax on the taxable income of every resident or nonresident individual for taxable years beginning on and after Jan. 1, 2022. The bill also prohibits individual taxpayers from claiming certain credits for the tax year beginning Jan. 1, 2013, and all subsequent tax years. The measure permits the following exemptions: retirement benefits from public and non-public pension systems, military retirement benefits and civil service retirement benefits in lieu of Social Security. (Amended by Senate, Stricken Title, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 01/01/2013 **Emergency:** No

Principal Authors: Jolley, Clark (S); Osborn, Leslie (H)

Status: H First Reading **Status Date:** 03/13/2012

SB1623

Paraphrase: SB1623, by Sen. Mike Mazzei, R-Tulsa and Rep. David Dank, R-Oklahoma City, clarifies that the investment in equipment used for recycling, reuse or source reduction of

hazardous waste tax credit; child care services-employers tax credit; child care service providers; Oklahoma Investment/New Jobs tax credit; the energy conservation assistance fund tax credit; the Oklahoma coal production, agricultural processing facilities tax credit; the Small Business Guaranty Fee tax credit; credit for electricity generated by zero-emission facilities; the credit for manufacturers of advanced small wind turbines; hepatitis immunization tax credit; tax credit for qualified rehabilitation expenditures; energy efficient residential construction tax credit; the tax credit for modification expenses paid to an injured employee; the qualified recycling center tax credit; the local development and enterprise zone investment incentive credit; the poultry litter tax credit; the film and music profit reinvestment credit; the dry fire hydrant credit; the railroad modernization credit; the specially trained canine credit; the loans by financial institutions under Rural Economic Development Loan Act; Stafford Loan origination fee tax credit; and the research and development incentive act tax credit may not be claimed for the period from July 1, 2010, to June 30, 2012. The bill also provides that credits for the period from July 1, 2012, to Dec. 31, 2013, will be limited to 50 percent of the total amount of the accrued credit. The bill eliminates those tax credits for tax year 2014 and all subsequent tax years. The bill also provides that the tax credit for donations to biomedical research foundations or cancer research institutes will be limited to 50 percent of the total amount of the accrued credit for tax years through Dec. 31, 2013. The bill eliminates the tax credit for tax year 2014 and all subsequent tax years. The bill modifies the allowable percentage of expenditures eligible for refund under the Film Enhancement Rebate to 17.5 percent of qualified expenditures from Jan. 1, 2013, to Dec. 31, 2013. The bill eliminates the rebates from Jan. 1, 2014, and thereafter. The bill amends individual income tax rates for tax years beginning before Jan. 1, 2012, by eliminating the authority of the State Board of Equalization to make a finding that reduces the top individual income tax rate. The bill sets the maximum individual income tax rate for tax years beginning on Jan. 1, 2012, at 5.25 percent; 5 percent for tax years beginning Jan. 1, 2013, and 4.75 percent beginning Jan. 1, 2014. The bill sets personal exemptions for single individuals and married individuals filing separately whose Oklahoma adjusted gross income is greater than \$30,000 and for married individuals filing jointly, surviving spouses, and heads of households whose Oklahoma adjusted gross income is greater than \$60,000 at \$500 for tax year 2013. The bill eliminates personal exemptions for tax year 2014 and all subsequent tax years. The bill sets additional exemption for the blind at \$500 for tax year 2013. The bill eliminates the additional exemption for the blind for tax year 2014 and all subsequent tax years. The bill sets the additional exemption for those 65 years of age and older at \$500 for tax year 2013. The bill eliminates the additional exemption for those 65 years of age and older for tax year 2014 and all subsequent tax years. The bill modifies the tax credit for taxpayers with disabilities. The bill limits the dividend/income interest exclusion. The bill limits the tax deduction for non-recurring adoption expenses to \$1,000 for tax year 2013 and eliminates it for tax year 2014 and all subsequent tax years. The bill limits the tax deduction for Oklahoma College Saving Program contributions to \$5,000 for individual taxpayers and \$10,000 for taxpayers filing a joint return for tax year 2013. The bill eliminates the deduction for tax year 2014 and all subsequent tax years. The bill provides that none of the tax credits may be allocated by a pass-through entity to a shareholder, partner or member for tax year 2013 and all subsequent tax years. The bill also provides that taxable income will be increased by 50 percent of any state and local taxes deducted under the Internal Revenue Code the taxable year beginning after Dec. 31, 2012. The bill provides that taxable income be increased by any amount of state and local taxes deducted under the Internal Revenue Code for tax years beginning Dec. 31, 2013, and thereafter. The bill limits the

deduction for political contributions at \$50 for tax year 2013 and eliminates the deduction for tax year 2014 and all subsequent tax years. The bill limits the volunteer firefighter credit to \$100 and \$200, depending on certification level, for tax year 2013 and eliminates the deduction for tax year 2014 and all subsequent tax years. The bill limits the ability for those 65 years of age or older or any totally disabled person who is the head of a household, a resident of and domiciled in this state during the entire preceding calendar year and whose gross household income for the year does not exceed \$12,000 to file a claim for property tax relief to tax years prior to Jan. 1, 2014. The bill also reduces the amount of the claim obtainable from \$200 to \$100 for tax year 2013. The bill also reduces the corporate income tax rate to 5 percent for tax years beginning Jan. 1, 2013, and for thereafter. The bill also modifies the child care tax credit from 5 percent of the child tax credit allowed under the Internal Revenue Code for tax years ending before Jan. 1, 2013, to the greater of 10 percent of the child care expenses allowed under the Internal Revenue Code for tax year 2013 to 2.5 percent of the child tax credit allowed under the Internal Revenue code. The bill eliminates the child care tax credit for tax year 2014 and all subsequent tax years. The bill modifies the Oklahoma earned income tax credit, setting it at 5 percent of the earned income credit allowed under the Internal Revenue Code for tax years through 2012. The bill reduces the percent to 2.5 percent of the credit allowed under the Internal Revenue Code for tax year 2013. The bill eliminates the earned income credit for year 2014 and all subsequent tax years. (Amended by Senate, Stricken Title, Emergency Measure, Committee Substitute) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** No

Principal Authors: Mazzei, Mike (S); Dank, David (H)

Status: H First Reading **Status Date:** 03/14/2012

SB1676  **Paraphrase:** SB1676, by Sen. Mike Schulz, R-Altus and Rep. Jeff Hickman, R-Dacoma, modifies statutory references to the Oklahoma Income Tax Act and modifies the apportionment of income tax revenue. (Amended by Senate, Stricken Title, Emergency Measure) - © 2012 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2012 **Emergency:** Yes

Principal Authors: Schulz, Mike (S); Hickman, Jeff (H)

Status: H First Reading **Status Date:** 03/15/2012

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