

**TITLE 590. OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
CHAPTER 10. PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**590:10-3-8. Actuarial cost for purchases; delinquent service cost**

(a) **Actuarial Costs.** Effective January 1, 1991, all purchases of service credit, including incentive credit pursuant to 74 O.S. §913.5, or employer error costs pursuant to 74 O.S. §917(7), shall be based upon the actuarial cost of the incremental projected benefits to be purchased.

(1) The actuarial cost and any tables formulated for the purpose of determining such cost, shall be based on the actuarial assumptions utilized in the actuarial valuation report for the Fiscal Year ending June 30 of the prior year.

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

(3) For purposes of determining this actuarial cost, the member's exact age in months shall be used in the calculation.

(4) For purposes of determining this actuarial cost, the mortality tables shall be formulated as a unisex table assuming a 50% male and a 50% female population, based upon the actuarial assumptions in paragraph (1) of this section.

(5) In the event a member who chooses to purchase service has been employed less than twelve (12) months, his salary shall be averaged based upon the most current month's payroll information.

(6) In the event that the actuarial cost is less than the contributions that would have been required by law, the member and/or the employer shall pay the actual contributions cost.

(b) **Delinquent service costs.** The cost for purchases of delinquent service credit for service of one (1) month or less which is based on employer error and which is one (1) or more years past due shall be calculated at employer and employee contributions plus ten percent (10%) simple interest per annum. If delinquent service of one (1) year or less is identified and paid for within one (1) year from the beginning service date, the cost will be calculated at employer and employee contributions only. The cost for delinquent service credit for service of more than one (1) month and which is over one (1) year past due shall be calculated at actuarial cost. The cost for any delinquent service credit for a retiree returning to work shall be calculated at employer and employee contributions plus ten percent (10%) simple interest per annum. If an employee is no longer a participating member of the System and payment of delinquent service will not result in a change of the employee's eligibility for retirement or eligibility for any other purposes and will not change the number of years of service, the cost for delinquent service shall be calculated at contributions plus ten percent (10%) simple interest per annum. When the employer is responsible for the cost of delinquent service based on employer error pursuant to 74 O.S. § 917(7), the employer shall provide records documenting the salary, hours and contribution level of such member during the time period for which the delinquent service is to be billed. If the employer is unable to locate or otherwise provide the required records within a reasonable time as determined by the System, the System may use the available payroll records nearest the time of such delinquency for that member.

(c) **Remittance errors.** In the event a participating employer timely remits contributions for an individual member which are determined to be insufficient as a result of being based on an incorrect contribution rate or incorrectly-reported compensation, the employer shall be notified

and pay the amount of the insufficiency plus ten percent (10%) simple interest per annum. The provisions of this paragraph shall not be applicable to employer remittances not received in a timely manner and which are subject to the provisions of paragraphs (a) and (b) of this section and 74 O.S. §920B.

**(d) Service Purchases.** Purchases of service credit are irrevocable, except when the purchase is determined by the System to not be authorized by statute or rule. Purchases of service credit shall be in whole months only. Except as otherwise provided by statute or rule, purchases of service credit can only be made by a member who is actively participating and who is not a retiree returning to work for a participating employer under 74 O.S. § 914 (E). Provided, a retiree returning to work may be permitted to purchase service pursuant to 74 O.S. § 913 (A)(8).

[Source: Amended at 12 Ok Reg 3237, eff 7-27-95; Amended at 16 Ok Reg 610, eff 12-2-98 (emergency); Amended at 16 Ok Reg 2010, eff 6-11-99; Amended at 28 Ok Reg 664, eff 5-12-11; Amended at 29 Ok Reg 498, eff 5-11-12; Amended at 31 Ok Reg 2314, eff 9-12-14; Amended at 32 Ok Reg 2176, eff 9-11-15]