

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 576

BY: SHEDRICK

AS INTRODUCED

AN ACT RELATING TO SCHOOLS AND STATE GOVERNMENT,
AMENDING 70 O.S. 1981, SECTION 17-110, WHICH
RELATES TO FRAUD UPON THE TEACHERS' RETIREMENT
SYSTEM, AND 74 O.S. 1981, SECTION 917, AS LAST
AMENDED BY SECTION 3, CHAPTER 324, O.S.L. 1990 (74
O.S. SUPP. 1990, SECTION 917), AND 74 O.S. 1981,
SECTION 924, WHICH RELATE TO PAYMENT OF BENEFITS,
ERRORS AND FALSE STATEMENTS; PROHIBITING DENIAL OF
CERTAIN CREDITS UNDER CERTAIN CIRCUMSTANCE;
PROVIDING AN EFFECTIVE DATE; AND DECLARING AN
EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 70 O.S. 1981, Section 17-110, is amended to read as follows:

Section 17-110. Any person whose membership has been accepted into the retirement system or determined to be eligible cannot later be denied service credit for that period of time. Any person who has purchased creditable service pursuant to Section 17-101 et seq. of this title shall not later be denied said service.

Notwithstanding anything to the contrary, any person who shall knowingly make any false statement or shall falsify or permit to be

falsified, any record or records of this retirement system in any attempt to defraud such system as a result of such act shall be guilty of a felony, and shall be punished as provided for under the laws of Oklahoma. Should any charge or error in the records result in any member or beneficiary receiving from the retirement system more or less than he would have been entitled to receive had the records been correct, the Board of Trustees shall correct such error, and so far as practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid, and to take from the Interest Fund sufficient to reimburse the Fund where an overpayment had already been made, and any such overpayment recovered from the member shall be placed in the Interest Fund.

SECTION 2. AMENDATORY 74 O.S. 1981, Section 917, as last amended by Section 3, Chapter 324, O.S.L. 1990 (74 O.S. Supp. 1990, Section 917), is amended to read as follows:

Section 917. (1) Upon termination of employment with a participating employer, not followed by employment with such participating employer, or another participating employer, within four (4) calendar months, the member shall be paid an amount equal to his accumulated contributions upon the filing of the proper application with the System.

(2) If such member has completed eight (8) years of credited service at date of termination or if the member has completed twenty (20) years of full-time-equivalent employment as a correctional officer or a probation and parole officer with the Department of Corrections and is such an officer at the time of election of a vested benefit or if the member is a legislative session employee of the Legislature, four (4) years of credited service at date of termination, he may elect a vested benefit in lieu of receiving his accumulated contributions. The amount of the vested benefit shall commence at the normal retirement date and shall be paid monthly

during the lifetime of the retirant with the last payment made on the last day of the month in which death occurs.

(3) Upon death before the normal or early retirement date of a member who has elected a vested benefit, his accumulated contributions shall be paid to his beneficiary unless the spouse of the deceased member is the beneficiary and elects monthly benefits as provided for in Section 918 of this title.

(4) Upon death after the normal or early retirement date of a retirant who elected a vested benefit without an option, the excess, if any, of his accumulated contributions over the sum of all payments of the vested benefit made to date of death shall be paid to his beneficiary.

(5) If a former employee, who meets the eligibility requirements for membership, returns to employment after the expiration of four (4) calendar months following the termination of his employment and the employee has withdrawn his accumulated contributions, he may pay to the System the sum of the accumulated contributions he has withdrawn plus interest of not to exceed five percent (5%), as determined by the Board, and shall receive the same benefits as if he had never withdrawn his contributions; provided, however, effective January 1, 1990, the rate of interest provided herein shall not exceed ten percent (10%), as determined by the Board. No member shall be permitted to take advantage of the payback for restoration of creditable service more than one time. If a member, who has elected a vested benefit, or a reemployed member, who has not withdrawn the member's contributions, again becomes an employee of a participating employer, the period of absence shall not be counted as a break in service; however, the period of absence shall not be credited.

(6) Members, who at the time of employment were ineligible for membership into the System due to their age, shall receive benefits for the period of ineligibility if the employer and employee

contributions are paid the System for that ineligible period. No interest shall be paid on a payback of this type.

(7) When any error in calculation or participation coverage to a prior or current employee exists, it shall be the responsibility of the participating employer which made the error to pay the contribution and any interest charges levied against the employee. Notwithstanding anything to the contrary, any person whose membership has been accepted in the System or determined to be eligible cannot later be denied service credit for that period of time.

(8) Upon application to the Board and payment of the employer and employee contributions as determined by the Board and interest of not to exceed five percent (5%) as required by the Board, a member of the System may receive service credit for those years of service that the member was eligible to receive service credit from the Teachers' Retirement System of Oklahoma; provided, however, effective January 1, 1990, the rate of interest provided herein shall not exceed ten percent (10%), as determined by the Board. Any application for service credit pursuant to the provisions of this subsection shall be filed with the Board prior to October 1, 1987.

SECTION 3. AMENDATORY 74 O.S. 1981, Section 924, is amended to read as follows:

Section 924. Any person who has purchased creditable service pursuant to Section 901 et seq. of this title shall not later be denied said service. Notwithstanding anything to the contrary, any person who shall knowingly make any false statement, or who shall falsify or permit to be falsified any record necessary for carrying out the intent of this act for the purpose of committing fraud, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding Five Hundred Dollars (\$500.00) or by imprisonment for not exceeding one (1) year. Should any error in any records of the Oklahoma Public Employees Retirement System

result in any member or beneficiary receiving more or less than he would have been entitled to receive had the records been correct, the Board shall correct such error, and, as far as practicable, make future payments in such manner that the actuarial equivalent of the benefit to which such member or beneficiary was entitled shall be paid, and to this end may recover any overpayments.

SECTION 4. This act shall become effective July 1, 1991.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-1-456

REJ