

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)
3RD CONFERENCE COMMITTEE
SUBSTITUTE FOR ENGROSSED
SENATE BILL NO. 614

By: Fisher of the Senate

and

Roberts, Monks and Isaac
of the House

3RD CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to cities and towns, counties and county officers, courts, motor vehicles, schools and state government; amending 11 O.S. 1991, Sections 49-106.1, as amended by Section 1, Chapter 353, O.S.L. 1993, and 50-111.3, as amended by Section 4, Chapter 352, O.S.L. 1993 (11 O.S. Supp. 1993, Sections 49-106.1 and 50-111.3), which relate to the Oklahoma Firefighters Pension and Retirement System and the Oklahoma Police Pension and Retirement System, and 47 O.S. 1991, Section 2-305.2, as amended by Section 2, Chapter 157, O.S.L. 1993 (47 O.S. Supp. 1993, Section 2-305.2), which relates to the Law Enforcement Retirement System; limiting membership in the deferred option plan; establishing a Task Force on the Firefighters Pension and Retirement System; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 1991, Section 49-106.1, as amended by Section 1, Chapter 353, O.S.L. 1993 (11 O.S. Supp. 1993, Section 49-106.1), is amended to read as follows:

Section 49-106.1 A. In lieu of terminating employment and accepting a service retirement pension pursuant to Section 49-106 of this title, any member of the Oklahoma Firefighters Pension and Retirement System who has not less than twenty (20) years of creditable service and who is eligible to receive a service retirement pension may elect to participate in the Oklahoma Firefighters Deferred Option Plan and defer the receipts of benefits in accordance with the provisions of this section. This section only applies to members of the System who were hired prior

to July 1, 1994. This section shall not extend any rights or benefits to members who were not hired prior to July 1, 1994.

B. For purposes of this section, creditable service shall include service credit reciprocally recognized pursuant to Sections 49-100.1 through 49-100.8 of this title but for eligibility purposes only.

C. The duration of participation in the Oklahoma Firefighters Deferred Option Plan for active fire fighters shall not exceed five (5) years. At the conclusion of a member's participation in the Oklahoma Firefighters Deferred Option Plan, the member shall terminate employment with all participating municipalities as a fire fighter, and shall start receiving the member's accrued monthly retirement benefit from the System.

D. When a member begins participation in the Oklahoma Firefighters Deferred Option Plan, the contribution of the employee shall cease. The employer contributions shall continue to be paid in accordance with subsection B of Section 49-122 of this title. Municipal contributions for employees who elect the Oklahoma Firefighters Deferred Option Plan shall be credited equally to the Oklahoma Firefighters Pension and Retirement System and to the Oklahoma Firefighters Deferred Option Plan. The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement shall be paid into the Oklahoma Firefighters Deferred Option Plan account.

E. 1. A member who participates in this plan shall be eligible to receive cost of living increases.

2. A member who participates in this plan shall earn interest at a rate of two percentage points below the rate of return of the investment portfolio of the System, but no less than the actuarial assumed interest rate as certified by the actuary in the yearly evaluation report of the actuary. The interest shall be credited to the individual account balance of the member on an annual basis.

F. A participant in the plan shall receive at the option of the participant, a lump sum payment from the account equal to the

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payments to the account, or an annuity based upon the account of the participant or may elect any other method of payment if approved by the Board of Trustees.

G. If the participant dies while participating in the plan and there is no beneficiary, a lump sum payment equal to the account balance of the participant shall be paid to the participant's estate. If there is a beneficiary, the beneficiary shall receive a benefit pursuant to subsection F of this section.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 49-160 of Title 11, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Firefighters Pension and Retirement System Task Force. The purpose of the Task Force shall be to study the administrative, policy, fiscal implications, benefit structure, need for reform in any of these areas and issue a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives by January 10, 1995.

B. The Task Force shall include six (6) members, three of whom shall be members of the Senate and be appointed by the President Pro Tempore of the Senate, and three of whom shall be members of the House of Representatives and be appointed by the Speaker of the House of Representatives. The Task Force shall elect a chairman and vice-chairman from among its legislative membership. Staffing for the Task Force shall be provided by the legislative staff of the Senate and the House of Representatives.

C. Members of the Task Force shall receive no compensation for serving on the Task Force, but shall receive travel reimbursement as follows:

1. Legislative members of the Task Force shall be reimbursed for their necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes from the legislative body which they serve; and

2. Nonlegislative members of the Task Force shall be reimbursed by their own agencies and organizations for their necessary travel expenses.

SECTION 3. AMENDATORY 11 O.S. 1991, Section 50-111.3, as amended by Section 4, Chapter 352, O.S.L. 1993 (11 O.S. Supp. 1993, Section 50-111.3), is amended to read as follows:

Section 50-111.3 A. In lieu of terminating employment and accepting a service retirement pension pursuant to Section 50-111.1 of this title, any member of the Oklahoma Police Pension and Retirement System who has not less than twenty (20) years of creditable service and who is eligible to receive a service retirement pension may elect to participate in the Oklahoma Police Deferred Option Plan and defer the receipts of benefits in accordance with the provisions of this section. This section only applies to members of the System who were hired prior to July 1, 1994. This section shall not extend any rights or benefits to members who were not hired prior to July 1, 1994.

B. For purposes of this section, creditable service shall include service credit reciprocally recognized pursuant to Sections 50-101 through 50-105.3 of this title but for eligibility purposes only.

C. The duration of participation in the Oklahoma Police Deferred Option Plan for a member shall not exceed five (5) years. At the conclusion of a member's participation in the Oklahoma Police Deferred Option Plan, the member shall terminate employment with all participating municipalities as an officer, and shall start receiving the member's accrued monthly retirement benefit from the System.

D. When a member begins participation in the Oklahoma Police Deferred Option Plan, the contribution of the employee shall cease. The employer contributions shall continue to be paid in accordance with Section 50-109 of this title. Municipal contributions for employees who elect the Oklahoma Police Deferred Option Plan shall be credited equally to the Oklahoma Police Pension and Retirement System and to the Oklahoma Police Deferred Option Plan. The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement shall be paid into the Oklahoma Police Deferred Option Plan account.

E. 1. A member who participates in this plan shall be eligible to receive cost of living increases.

2. A member who participates in this plan shall earn interest at a rate of two percentage points below the rate of return of the investment portfolio of the System, but no less than the actuarial assumed interest rate as certified by the actuary in the yearly evaluation report of the actuary. The interest shall be credited to the individual account balance of the member on an annual basis.

F. A participant in the Oklahoma Police Deferred Option Plan shall receive, at the option of the participant:

1. A lump sum payment from the account equal to the option account balance of the participant, payable to the participant;

2. A lump sum payment from the account equal to the option account balance of the participant, payable to the annuity provider which shall be selected by the participant as a result of the research and investigation of the participant; or

3. Any other method of payment if approved by the State Board.

G. If the participant dies during the period of participation in the Oklahoma Police Deferred Option Plan, a lump sum payment equal to the account balance of the participant shall be paid in accordance with Section 50-115.2 of this title.

H. The Oklahoma Police Deferred Option Plan shall not be implemented until October 1, 1990, or when the State Board obtains a ruling from the Internal Revenue Service which affirmatively states that said plan shall be treated as a qualified plan for federal income tax purposes, whichever comes last.

SECTION 4. AMENDATORY 47 O.S. 1991, Section 2-305.2, as amended by Section 2, Chapter 157, O.S.L. 1993 (47 O.S. Supp. 1993, Section 2-305.2), is amended to read as follows:

Section 2-305.2 A. In lieu of terminating employment and accepting a service retirement pension pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes, any member of the Oklahoma Law Enforcement Retirement System who has not less than twenty (20) years of creditable service and who is eligible to receive a

service retirement pension may elect to participate in the Oklahoma Law Enforcement Deferred Option Plan and defer the receipts of benefits in accordance with the provisions of this section. This section only applies to members of the System who were hired prior to July 1, 1994. This section shall not extend any rights or benefits to members who were not hired prior to July 1, 1994.

B. For purposes of this section, creditable service shall include service credit reciprocally recognized pursuant to Sections 2-300 through 2-305.1 of Title 47 of the Oklahoma Statutes but for eligibility purposes only.

C. The duration of participation in the Oklahoma Law Enforcement Deferred Option Plan for a member shall not exceed five (5) years. At the conclusion of a member's participation in the Oklahoma Law Enforcement Deferred Option Plan, the member shall terminate employment with all state law enforcement agencies as an officer, and shall start receiving the member's accrued monthly retirement benefit from the System.

D. When a member begins participation in the Oklahoma Law Enforcement Deferred Option Plan, the contribution of the employee shall cease. The employer contributions shall continue to be paid in accordance with Section 2-304 of Title 47 of the Oklahoma Statutes. Employer contributions for employees who elect the Oklahoma Law Enforcement Deferred Option Plan shall be credited equally to the Oklahoma Law Enforcement Retirement System and to the Oklahoma Law Enforcement Deferred Option Plan. The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement shall be paid into the Oklahoma Law Enforcement Deferred Option Plan account.

E. 1. A member who participates in this plan shall be eligible to receive cost of living increases.

2. A member who participates in this plan shall earn interest at a rate of two percentage points below the rate of return of the investment portfolio of the System, but no less than the actuarial assumed interest rate as certified by the actuary in the yearly

evaluation report of the actuary. The interest shall be credited to the individual account balance of the member on an annual basis.

F. A participant in the Oklahoma Law Enforcement Deferred Option Plan shall receive, at the option of the participant:

1. A lump sum payment from the account equal to the option account balance of the participant, payable to the participant;

2. A lump sum payment from the account equal to the option account balance of the participant, payable to the annuity provider which shall be selected by the participant as a result of the research and investigation of the participant; or

3. Any other method of payment if approved by the Board.

G. If the participant dies during the period of participation in the Oklahoma Law Enforcement Deferred Option Plan, a lump sum payment equal to the account balance of the participant shall be paid in accordance with Section 2-306.3 of Title 47 of the Oklahoma Statutes.

H. The Oklahoma Law Enforcement Deferred Option Plan shall not be implemented until October 1, 1990, or when the Board obtains a ruling from the Internal Revenue Service which affirmatively states that said plan shall be treated as a qualified plan for federal income tax purposes, whichever comes last.

SECTION 5. This act shall become effective July 1, 1994.

SECTION 6. 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.

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