

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE BILL NO. 1617

By: Roberts

AS INTRODUCED

An Act relating to the Oklahoma Police Pension and Retirement System; amending 11 O.S. 1991, Section 50-106.3, which relates to joining the System; deleting obsolete language; amending 11 O.S. 1991, Section 50-111.1, which relates to termination of service; deleting obsolete language; deleting limitation upon receiving certain service; amending 11 O.S. 1991, Section 50-111.2, which relates to transfer of service from or to other retirement systems; deleting obsolete language; amending 11 O.S. 1991, Section 50-111.3, which relates to the Police Deferred Option Plan; modifying options for receipt of payment from the Plan; amending 11 O.S. 1991, Section 50-112, as amended by Section 4, Chapter 390, O.S.L. 1992 (11 O.S. Supp. 1992, Section 50-112), which relates to participation in the System; deleting limitation to participation; amending 11 O.S. 1991, Section 50-116.1, which relates to sickness or temporary disability; modifying certain salary requirements; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 1991, Section 50-106.3, is amended to read as follows:

Section 50-106.3 A. An eligible employer may join the System on the first day of any month. Application for affiliation shall be in the form of a resolution approved by the governing body of the eligible employer or by any other body or officer authorized by law or recognized by the State Board to approve such resolution or action. Upon the filing of a certified copy of such resolution with the State Board, such election shall be irrevocable and the eligible municipality shall become a participating municipality on the first day of the month immediately following the filing of such election with the State Board.

B. The State Board shall have final authority in determining eligibility for membership in the System, pursuant to the provisions of this article. A member claiming credit for prior municipal police service in Oklahoma shall file an application with the State Board. The date of filing such application shall be not more than ninety (90) days after the municipality's entry date. Any credit for such prior service shall not exceed (5) years. Upon a favorable determination of the eligibility for and the amount of service credit under this section, prior to January 1, 1991, the State Board shall require the member to pay an amount equal to the total contribution which would have been paid by the member and municipality plus five percent (5%) annual interest on such contributions. Effective January 1, 1991, upon a favorable determination of the eligibility for and the amount of service credit under this section, the member shall pay the amount determined by the State Board pursuant to Section ~~41~~ 50-111.4 of this act title.

C. Any municipality that has a municipal police pension and retirement system prior to July 1, 1980, shall consolidate its system with the state System and become a participating municipality on the first entry date as provided in this article.

SECTION 2. AMENDATORY 11 O.S. 1991, Section 50-111.1, is amended to read as follows:

Section 50-111.1 A. A member who terminates his service before normal retirement date, other than by death or disability shall, upon application filed with the State Board, be refunded from the Fund an amount equal to the accumulated contributions the member has made to the Fund, but excluding any interest or any amount contributed by the municipality or state. If an officer withdraws his accumulated contributions, such officer shall not have any recourse against the System for any type of additional benefits including, but not limited to, disability benefits. If a member has completed ten (10) years of credited service at the date of termination, the member may elect a vested benefit in lieu of receiving the member's accumulated contributions.

If the member who has completed ten (10) or more years of credited service elects the vested benefit, the member shall be entitled to a monthly retirement annuity commencing on the date the member reaches fifty (50) years of age or the date the member would have had twenty (20) years of credited service had the member's employment continued uninterrupted, whichever is later. The annual amount of such retirement annuity shall be equal to two and one-half percent (2 1/2%) of final average salary multiplied by the number of years of credited service.

B. If a member who terminates employment and elects a vested benefit dies prior to being eligible to receive benefits, the member's beneficiary shall be entitled to the member's normal monthly accrued retirement benefits on the date the deceased member would have been eligible to receive the benefit. If the beneficiary

is a surviving spouse and the beneficiary remarries, the benefits shall terminate.

C. Whenever a member has terminated or hereafter terminates covered employment and has withdrawn or hereafter withdraws the member's accumulated contributions and has rejoined or hereafter rejoins the System, the member, upon proper application and approval by the Board, may pay to the System the sum of the accumulated contributions the member has withdrawn or hereafter withdraws plus ~~five percent (5%)~~ ten percent (10%) annual interest from the date of withdrawal and shall receive the same benefits as if the member had never withdrawn the contributions; ~~however, effective January 1, 1991, the rate of interest provided herein shall be ten percent (10%) per annum.~~ Those members who at the time of termination of employment could not withdraw any of their accumulated contributions shall receive credited service for the time employed as an officer prior to any such termination upon proper application and approval by the Board. ~~Any such application made pursuant to the provisions of this subsection shall be made prior to January 1, 1988, or within six (6) months of rejoining the System whichever occurs later.~~ To receive credit for such service, all required contributions and interest shall be paid within ninety (90) days of Board approval of the application. The provisions of this subsection shall not apply to any member who is receiving benefits from the System as of July 1, 1987.

D. If an active member dies and does not leave a beneficiary, the accumulated contributions made to the System by the member shall be paid to the estate of the member.

SECTION 3. AMENDATORY 11 O.S. 1991, Section 50-111.2, is amended to read as follows:

Section 50-111.2 A. A member of the Oklahoma Police Pension and Retirement System may receive up to five (5) years of credited service accumulated by the member while a member of the Oklahoma

Firefighters Pension and Retirement System, the Oklahoma Law Enforcement Retirement System, the Teacher's Retirement System of Oklahoma, the Oklahoma Public Employees Retirement System or a county retirement system created pursuant to Section 951 of Title 19 of the Oklahoma Statutes, if the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system. ~~To receive the service credit prior to January 1, 1991, the member shall pay a five percent (5%) contribution and interest of not to exceed five percent (5%), as may be required by the State Board for each year of service transferred pursuant to this section. Effective January 1, 1991, to receive the~~ service credit, the member shall pay the amount determined by the State Board pursuant to Section ~~44~~ 50-111.4 of this ~~act~~ title. The transferred credited service of the member from another state retirement system shall not alter the member's normal retirement date or vesting requirements. The transferred credited service will be added after the member reaches normal retirement date or vesting date.

B. The Oklahoma Police Pension and Retirement System shall transfer credited service to another state retirement system upon request of former members. Upon transfer, the former member shall have forfeited all rights in the Oklahoma Police Pension and Retirement System. Employee and city contributions of the former municipal retirement systems prior to January 1, 1981, are not transferable.

SECTION 4. AMENDATORY 11 O.S. 1991, 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 ~~Title 11 of the Oklahoma Statutes~~ 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.

B. For purposes of this section, creditable service shall include service credit reciprocally recognized pursuant to Sections 50-101 through 50-105.3 of ~~Title 11 of the Oklahoma Statutes~~ 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 ~~Title 11 of the Oklahoma Statutes~~ 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, ~~a:~~

1. A lump sum payment from the account equal to the ~~payments 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 a ~~true annuity based upon the account of the participant or may elect any~~

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 ~~Title 11 of the Oklahoma Statutes~~ 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 5. AMENDATORY 11 O.S. 1991, Section 50-112, as amended by Section 4, Chapter 390, O.S.L. 1992 (11 O.S. Supp. 1992, Section 50-112), is amended to read as follows:

Section 50-112. A. All persons who shall be offered a position of an officer shall participate in the System upon the person meeting the requisite post offer-pre-employment physical examination standards. All such persons shall be of good moral character, free from deformities, mental or physical conditions, or disease and alcohol or drug addiction, which would prohibit the person from

performing the duties of a police officer. Said physical-medical examination shall pertain to age, sight, hearing, agility and other conditions the requirements of which shall be established by the State Board. A police officer shall be not less than twenty-one (21) ~~nor more than forty-five (45)~~ years of age when accepted for membership in the System. The person shall be required to meet the conditions of this section prior to the beginning of actual employment but after an offer of employment has been tendered with any participating municipality. The State Board shall have authority to deny or revoke membership of any person submitting false information in such person's membership application. The State Board shall have final authority in determining eligibility for membership in the System, pursuant to the provisions of this article.

B. The police chief of any participating municipality may be exempt from membership in the System or may become a member provided the requirements of this section are met at the time of employment.

SECTION 6. AMENDATORY 11 O.S. 1991, Section 50-116.1, is amended to read as follows:

Section 50-116.1 Whenever any member of the police department of any municipality is unable to perform the member's duties because of sickness or temporary disability caused or sustained while in the discharge of the member's duty as such member, notwithstanding the provisions of Sections 11 and 12 of Title 85 of the Oklahoma Statutes, the salary shall be paid by the municipality to the member and shall continue while the member is sick or ~~temporarily~~ disabled for a period of not less than six (6) months, ~~after which said period the provisions for permanent total or permanent partial disability benefits of the Oklahoma Police Pension and Retirement System shall apply.~~ Should the salary of the member, under this section, exceed any temporary disability benefit paid to the member under Section 1 et seq. of Title 85 of the Oklahoma Statutes, the

member shall transfer said temporary disability benefits under Section 1 et seq. of Title 85 of the Oklahoma Statutes to the municipality while the member is sick or temporarily disabled.

SECTION 7. 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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