

SHORT TITLE: State government; Oklahoma Public Employees Retirement System; providing for an election of increased retirement benefits in certain cases when the joint annuitant survivor predeceases the retirant; calculating the benefit increase; effective date; emergency.

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

SENATE BILL NO. 768

By: Fisher, Hendrick and Brown

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 1991, Section 918, as amended by Section 27, Chapter 322, O.S.L. 1993 (74 O.S. Supp. 1993, Section 918), which relates to the Oklahoma Public Employees Retirement System; providing for an election of increased retirement benefits in certain cases when the joint annuitant survivor predeceases the retirant; calculating benefit increase; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 918, as amended by Section 27, Chapter 322, O.S.L. 1993 (74 O.S. Supp. 1993, Section 918), is amended to read as follows:

Section 918. (1) Except as otherwise provided for in this section, a member may elect to have his retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in Section 915 of this title. The election of an option must be made at any time prior to retirement or prior to termination of service with a vested benefit. A specific person must be designated as joint annuitant at the time of election of Option A or B. Election of an option is available with respect to the vested benefit. All retirement benefits of a married member shall be paid pursuant to the Option A plan as provided for

in this section unless the spouse of a member consents in writing for the benefits to be paid as provided for in Section 915 of this title or pursuant to Option B or Option C as provided for in this section.

(2) The amount of retirement benefit payable under an option shall be based on the age and sex of the member and the age and sex of the joint annuitant, and shall be such amount as to be the actuarial equivalent of the retirement benefit otherwise payable under Section 915 of this title.

(3) The retirement options are:

Option A. Joint and one-half to joint annuitant survivor. A reduced retirement benefit is payable to the retirant during his lifetime with one-half of that amount continued to his joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. If the named joint annuitant dies at any time after the member's retirement date, but before the death of the retirant, the retirant shall have the right to elect to return to the actuarial equivalent of the retirement benefit the member would have received had the member not selected Option A. The benefit shall be determined by taking the retirant's reduced retirement benefit amount at the time of election and increasing it by the actuarial reduction factor utilized for the retirant at the time of his retirement. This increase shall become effective the first day of the month following the election and shall be payable for the retirant's remaining lifetime.

Option B. Joint and survivor. A reduced retirement benefit is payable to the retirant during his lifetime with that amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of the retirant. If the named joint annuitant dies at any time after the member's retirement date, but before the death of the retirant, the retirant shall have the right to elect to return to the actuarial equivalent of the

retirement benefit the member would have received had the member not selected Option B. The benefit shall be determined by taking the retirant's reduced retirement benefit amount at the time of election and increasing it by the actuarial reduction factor utilized for the retirant at the time of his retirement. This increase shall become effective the first day of the month following the election and shall be payable for the retirant's remaining lifetime.

Option C. Life with ten (10) years certain. A reduced retirement benefit is payable to the retirant during his lifetime and if he dies within the ten-year certain period, measured from the commencement of retirement benefits payments, such payments will be continued to his beneficiary during the balance of the ten-year certain period.

(4) Provided that Option A and Option B shall not be available if the retirant's expected benefit is less than fifty percent (50%) of the lump-sum actuarial equivalent and the joint annuitant is not the spouse of the retirant.

(5) If a member who is eligible to retire in accordance with the provisions of Section 914 of this title but is not actually retired or is eligible to vest or has elected a vested benefit dies, the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, may elect to receive benefits as a joint annuitant under Option A calculated as if the member retired on the date of death, in lieu of receiving the member's accumulated contributions. However, no benefits shall be payable before the date the deceased member would have met the requirements for a normal or early retirement. Provided further, that if an active member has elected an option under this section prior to the member's death, the member's spouse, if the spouse is the member's beneficiary, may elect to receive benefits as a joint annuitant under said elected option.

(6) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of Option A and Option B, shall end on the last day of the month in which the joint annuitant dies.

SECTION 2. This act shall become effective July 1, 1994.

SECTION 3. 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.

44-2-1591

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