

ENROLLED HOUSE
BILL NO. 1221

By: Paulk of the House

and

Leftwich of the Senate

An Act relating to county retirement systems; amending 19 O.S. 1991, Sections 952.2 and 956.2, as last amended by Section 1, Chapter 24, O.S.L. 1994 (19 O.S. Supp. 1994, Section 956.2), which relate to administration of county retirement systems; modifying provision related to payment of costs and expenses; making exception; modifying provisions related to payment of administrative costs associated with certain retirement system; providing for payment of costs of operation of certain fund from county general fund or other authorized sources; and declaring an emergency.

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

SECTION 1. AMENDATORY 19 O.S. 1991, Section 952.2, is amended to read as follows:

Section 952.2 All costs and expenses for the selection and compensation of actuarial consultants, investment managers, financial consultants, institutional custodian services, commissions or other costs resulting from the purchase, sale or other transfer of assets, and all costs and expenses related to those services provided in accordance with Section ~~5~~ 953.1 of this ~~act~~ title shall be paid from the retirement fund except as otherwise provided in Section 956.2 of this title.

SECTION 2. AMENDATORY 19 O.S. 1991, Section 956.2, as last amended by Section 1, Chapter 24, O.S.L. 1994 (19 O.S. Supp. 1994, Section 956.2), is amended to read as follows:

Section 956.2 A. In lieu of the retirement benefits specified in Section 956 of this title, upon approval by the board of trustees and the board of county commissioners, a county authorized to provide a retirement system pursuant to the provisions of Section 951 et seq. of this title, with a population in excess of five hundred fifty thousand (550,000), may provide for retirement benefits for the retirement system based upon the contributions of the individual employee, if any, contributions of the county for the benefit of such employee, if any, together with earnings accruals thereon for such periods of time as the board of trustees and the board of county commissioners, in their discretion, may determine best meets the purpose of the retirement system. Notwithstanding any other provision in this section, a retirement benefits plan based upon the contributions by or for the benefit of an employee as provided in this subsection shall be subject to the following vesting restrictions:

1. Twenty percent (20%) vesting after two (2) years of service;

2. Forty percent (40%) vesting after three (3) years of service;
3. Sixty percent (60%) vesting after four (4) years of service;
4. Eighty percent (80%) vesting after five (5) years of service; and
5. One hundred percent (100%) vesting after six (6) years of service.

These vesting restrictions are for the benefit of a participating member or other designated beneficiary after the employment of the member is permanently terminated with a participating employer of the retirement plan. An employee is permanently terminated after termination from employment with a participating employer after passage of the period of time specified in the retirement plan. Pending permanent termination of an employee, the non-vested portion of the monies will be held in escrow until the time for reinstatement has lapsed as specified in the retirement plan. After the time for reinstatement has lapsed, any non-vested forfeitures shall be used to offset prospective employer contributions or to pay expenses associated with the retirement plan.

B. Notwithstanding other provisions of law, the accumulated vested benefits of a member, as provided in this section, who dies before retirement or permanent termination of employment, may be withdrawn from time to time in whole or in part by the beneficiary of the deceased member upon application to the Board of Trustees in a manner prescribed by the Board of Trustees.

C. If a county elects to provide benefits pursuant to this section, all persons participating in the existing system shall be given the option of remaining subject to the existing retirement system. All persons becoming members of the retirement system after the effective date of this act would be required to participate in the defined contribution benefit system specified in this section. Upon approval of the board of trustees and the board of county commissioners, the existing liabilities under the defined benefits system provided in Section 956 of this title and the liabilities accrued under the defined contribution benefit system provided in this section may be funded by annuities purchased from annuity or insurance companies licensed to do business in this state as recommended by the board of trustees and approved by the board of county commissioners.

D. All administrative costs associated with the operation of a defined benefit retirement system based upon the contributions of the individual employee as authorized by this section shall be paid exclusively from the contributions made by the employer on behalf of employees electing to participate in the defined benefit retirement system, the contributions made by individual employees electing to participate in the defined benefit retirement system and any income generated from investment of the funds of the defined benefit retirement system.

E. No costs associated with the operation of a defined contribution retirement system may be paid from funds used in the operation of a defined benefit retirement system provided by a county as otherwise authorized by law. Said costs associated with the operation of the defined contribution retirement system shall be paid for by the county from the county general fund as defined by Section 331 of Title 62 of the Oklahoma Statutes or from any other monies available which are not specifically prohibited from being used for this purpose.

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.

Passed the House of Representatives the 9th day of May, 1995.

Speaker of the House of
Representatives

Passed the Senate the 10th day of May, 1995.

President of the Senate