

ENROLLED SENATE
BILL NO. 889

By: Monson of the Senate

and

Roberts of the House

An Act relating to retirement; amending 20 O.S. 1991, Section 1108, as amended by Section 3, Chapter 81, O.S.L. 1995 (20 O.S. Supp. 1995, Section 1108), 47 O.S. 1991, Section 2-301, as amended by Section 4, Chapter 376, O.S.L. 1992 (47 O.S. Supp. 1995, Section 2-301) and 74 O.S. 1991, Section 921, as amended by Section 8, Chapter 351, O.S.L. 1994 (74 O.S. Supp. 1995, Section 921), which relate to The Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System and the Oklahoma Public Employees Retirement System; creating a fund; providing for tax compliance; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 20 O.S. 1991, Section 1108, as amended by Section 3, Chapter 81, O.S.L. 1995 (20 O.S. Supp. 1995, Section 1108), is amended to read as follows:

Section 1108. A. The Board of Trustees of the Oklahoma Public Employees Retirement System shall have the responsibility for management of the State Judicial Retirement Fund. All benefits payable under The Uniform Retirement System for Justices and Judges, refunds of contributions and overpayments, purchases or investments under the law, and all expenses in connection with the System shall be paid from the Oklahoma Judicial Retirement Fund. The State Judicial Retirement Fund shall be invested and managed in the same manner as now or hereinafter provided by law for the investment and management of funds belonging to the Oklahoma Public Employees Retirement System.

B. The Board of Trustees of the Oklahoma Public Employees Retirement System shall compile a quarterly financial report of all the funds of the State Judicial Retirement Fund on a fiscal year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The Board of Trustees shall include in the quarterly reports all commissions, fees or payments for investment services performed on behalf of the Board of Trustees with respect to the State Judicial Retirement Fund. The report shall be distributed to the Governor, the Oklahoma State Pension

Commission, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

C. There is hereby created the Retirement Medical Benefit Fund. The fund shall be maintained as a subaccount of the State Judicial Retirement Fund. The Retirement Medical Benefit Fund is composed of all assets which may be contributed to this subaccount to pay the retirement system's portion of the monthly retiree health insurance premium benefit described by Section 1316.2 of Title 74 of the Oklahoma Statutes. All such allocated assets and any earnings thereon in the Retirement Medical Benefit Fund shall be held for the exclusive purpose of providing retiree medical benefits. The Retirement Medical Benefit Fund is to be administered in accordance with the requirements of Section 401(h) of the Internal Revenue Code of 1986, as amended from time to time. The Board of Trustees may promulgate such rules as are necessary to implement the funding and administration of the fund pursuant to the provisions of this subsection.

SECTION 2. AMENDATORY 47 O.S. 1991, Section 2-301, as amended by Section 4, Chapter 376, O.S.L. 1992 (47 O.S. Supp. 1995, Section 2-301), is amended to read as follows:

Section 2-301. There is hereby established a System for the payment of retirement benefits and certain medical and hospital expenses of members of the Oklahoma Law Enforcement Retirement System. Such System shall constitute an amendment and continuation of the Retirement and Pension Plan of the Department of Public Safety and members in the Retirement and Pension Plan on June 30, 1980, shall continue as members of the Oklahoma Law Enforcement Retirement System. There is established in the State Treasury a special fund designated as the "Oklahoma Law Enforcement Retirement Fund" for the benefit of members of the System and certain dependents of deceased members of the System. Such fund shall be a continuation, under a new name, of the Retirement and Pension Fund of the Department of Public Safety.

There is hereby created the Retirement Medical Benefit Fund. The fund shall be maintained as a subaccount of the Oklahoma Law Enforcement Retirement Fund. The Retirement Medical Benefit Fund is composed of all assets which may be contributed to this subaccount to pay the retirement system's portion of the monthly retiree health insurance premium benefit described by Section 1316.2 of Title 74 of the Oklahoma Statutes. All such allocated assets and any earnings thereon in the Retirement Medical Benefit Fund shall be held for the exclusive purpose of providing retiree medical benefits. The Retirement Medical Benefit Fund is to be administered in accordance with the requirements of Section 401(h) of the Internal Revenue Code of 1986, as amended from time to time. The Board of Trustees may promulgate such rules as are necessary to implement the funding and administration of the fund pursuant to the provisions of this subsection.

Appointment to any position within a covered agency which comes under this System shall not jeopardize the rights of any person who has previously qualified for membership under this System, provided, that the individual contributions are continued, and such person remains a member of this System.

SECTION 3. AMENDATORY 74 O.S. 1991, Section 921, as amended by Section 8, Chapter 351, O.S.L. 1994 (74 O.S. Supp. 1995, Section 921), is amended to read as follows:

Section 921. A. All employee and employer contributions and dedicated revenues shall be deposited in a fund in the State Treasury which is hereby created and shall be known as the Oklahoma Public Employees Retirement Fund. The Board of Trustees shall have

the responsibility for the management of the Oklahoma Public Employees Retirement Fund, and may transfer monies used for investment purposes by the Oklahoma Public Employees Retirement System from the Oklahoma Public Employees Retirement Fund in the State Treasury to the custodian bank or trust company of the System.

B. All benefits payable pursuant to the provisions of the Oklahoma Public Employees Retirement System, refunds of contribution and overpayments, and all administrative expenses in connection with the System shall be paid from the Oklahoma Public Employees Retirement Fund upon warrants or vouchers signed by two persons designated by the Board of Trustees. All salaries and expenses of the administration of the State Employees Deferred Compensation Plan, including marketing and participant education, shall be paid from the Oklahoma Public Employees Retirement Fund. The Board of Trustees may transfer monies from the custodian bank or trust company of the System to the Oklahoma Public Employees Retirement Fund in the State Treasury for the purposes specified in this subsection.

C. There is hereby created the Retirement Medical Benefit Fund. The fund shall be maintained as a subaccount of the Oklahoma Public Employees Retirement Fund. The Retirement Medical Benefit Fund is composed of all assets which may be contributed to this subaccount to pay the retirement system's portion of the monthly retiree health insurance premium benefit described by Section 1316.2 of this title. All such allocated assets and any earnings thereon in the Retirement Medical Benefit Fund shall be held for the exclusive purpose of providing retiree medical benefits. The Retirement Medical Benefit Fund is to be administered in accordance with the requirements of Section 401(h) of the Internal Revenue Code of 1986, as amended from time to time. The Board of Trustees may promulgate such rules as are necessary to implement the funding and administration of the fund pursuant to the provisions of this subsection.

SECTION 4. This act shall become effective July 1, 1996.

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.

Passed the Senate the 26th day of February, 1996.

President of the Senate

Passed the House of Representatives the 1st day of April, 1996.

Speaker of the House of Representatives