

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

HOUSE BILL NO. 2626

By: Stites

AS INTRODUCED

An Act relating to the Teachers' Retirement System of Oklahoma; creating Teachers' Retirement System Deferred Option Plan; authorizing participation by certain members; prescribing procedures for participation in plan; providing for termination of employee contributions; specifying duration of participation; providing for payment of benefits; providing for deposit of employer contributions; authorizing cost of living increases for members participating in plan; prescribing method for computation of earnings; prescribing options for payment to participants; providing for lump sum payment in the event of death; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-116.2A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. In lieu of terminating employment and accepting a retirement allowance pursuant to Section 17-116.2 of Title 70 of the Oklahoma Statutes, any member of the Teachers' Retirement System of Oklahoma 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 Teachers' Retirement System Deferred Option Plan and defer the receipts of benefits in accordance with the provisions of this section.

B. The duration of participation in the Teachers' Retirement Deferred Option Plan for a member shall not exceed five (5) years. At the conclusion of a member's participation in the Deferred Option Plan, the member shall terminate employment with all participating employers, and shall start receiving the member's accrued monthly retirement benefit from the System.

C. When a member begins participation in the Teachers' Retirement Deferred Option Plan, the contribution of the employee shall cease. The employer contributions shall continue to be paid in accordance with Section 17-108.1 of this title. Employer contributions for employees who elect the Teachers' Retirement Deferred Option Plan shall be credited equally to the Teachers' Retirement System and to the Teachers' Retirement 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 Teachers' Retirement Deferred Option Plan account.

D. 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.

E. A participant in the Teachers' Retirement 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 of Trustees.

F. If the participant dies during the period of participation in the Teachers' Retirement Deferred Option Plan, a lump sum payment equal to the account balance of the participant shall be paid in accordance with Section 17-105 of this title.

SECTION 2. This act shall become effective July 1, 1996.

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.

45-2-8615

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