

SHORT TITLE: Retirement; the Oklahoma Public Employees Retirement System; deleting obsolete language; effective date; emergency.

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

SENATE BILL NO. 1141

By: Weedn

AS INTRODUCED

An Act relating to retirement; amending 74 O.S. 1991, Section 919.1, as amended by Section 11, Chapter 383, O.S.L. 1994 (74 O.S. Supp. 1995, Section 919.1), which relates to the Oklahoma Public Employees Retirement System; deleting obsolete references; 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 919.1, as amended by Section 11, Chapter 383, O.S.L. 1994 (74 O.S. Supp. 1995, Section 919.1), is amended to read as follows:

Section 919.1 (1) Effective July 1, 1994, employee contributions to the System shall be:

(a) for employees except as otherwise provided in paragraphs (b) and (c) of this subsection:

- (i) beginning July 1, 1994, through June 30, 1995, two percent (2%) of allowable annual compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00),
- (ii) beginning July 1, 1995, through June 30, 1996, two percent (2%) of allowable annual compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00),
- (iii) beginning July 1, 1996, through June 30, 1997, two and one-half percent (2 1/2%) of allowable annual compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00),
- (iv) beginning July 1, 1997, through June 30, 1998, three percent (3%) of allowable annual compensation not in

excess of Twenty-five Thousand Dollars (\$25,000.00),
and

- (v) beginning July 1, 1998, and thereafter, three and one-half percent (3 1/2%) of allowable annual compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00);

(b) for all employees except as otherwise provided in paragraphs (a) and (c) of this subsection:

- (i) beginning July 1, 1994, and thereafter, three and one-half percent (3 1/2%) of allowable annual compensation of more than Twenty-five Thousand Dollars (\$25,000.00), but not in excess of Forty Thousand Dollars (\$40,000.00),
- (ii) beginning July 1, 1994, through June 30, 1995, ten percent (10%) of allowable annual compensation in excess of Forty Thousand Dollars (\$40,000.00),
- (iii) beginning July 1, 1995, and thereafter, three and one-half percent (3 1/2%) of allowable annual compensation in excess of Forty Thousand Dollars (\$40,000.00);

(c) for correctional officers and probation and parole officers employed by the Department of Corrections:

- (i) beginning July 1, 1994, through June 30, 1995, six and one-half percent (6 1/2%) of allowable annual compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00),
- (ii) beginning July 1, 1995, through June 30, 1996, six and one-half percent (6 1/2%) of allowable annual compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00),

- (iii) beginning July 1, 1996, through June 30, 1997, seven percent (7%) of allowable annual compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00),
- (iv) beginning July 1, 1997, through June 30, 1998, seven and one-half percent (7 1/2%) of allowable compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00),
- (v) beginning July 1, 1998, and thereafter, eight percent (8%) of allowable compensation not in excess of Twenty-five Thousand Dollars (\$25,000.00), and
- (vi) beginning July 1, 1994, and thereafter, eight percent (8%) of allowable compensation in excess of Twenty-five Thousand Dollars (\$25,000.00).

The contributions required by this paragraph shall be made by a member for not more than twenty (20) years and thereafter shall be as provided in paragraph (a) of this subsection.

(2) Contributions shall be deducted by each state agency by the participating employer for such benefits as the Board is authorized to administer as provided for by law. Employee and employer contributions shall be remitted monthly, or as the Board may otherwise provide, to the Executive Director for deposit in the Oklahoma Public Employees Retirement Fund.

(3) Each participating employer shall pick up under the provisions of Section 414(h)(2) of the Internal Revenue Code of 1986 and pay the contribution which the member is required by law to make to the System for all compensation earned after December 31, 1988. Although the contributions so picked up are designated as member contributions, such contributions shall be treated as contributions being paid by the participating employer in lieu of contributions by the member in determining tax treatment under the Internal Revenue

Code of 1986 and such picked up contributions shall not be includable in the gross income of the member until such amounts are distributed or made available to the member or the beneficiary of the member. The member, by the terms of this System, shall not have any option to choose to receive the contributions so picked up directly and the picked up contributions must be paid by the participating employer to the System.

Member contributions which are picked up shall be treated in the same manner and to the same extent as member contributions made prior to the date on which member contributions were picked up by the participating employer. Member contributions so picked up shall be included in gross salary for purposes of determining benefits and contributions under the System.

The participating employer shall pay the member contributions from the same source of funds used in paying salary to the member, by effecting an equal cash reduction in gross salary of the member.

~~(4) By September 1, 1989, the System shall refund the accumulated employee contributions of any member who elects to retain the member's membership in the Teachers' Retirement System of Oklahoma, in accordance with Section 17-104 of this title, to such member. Upon the refund of the accumulated employee contributions referred to in this subsection, all benefits and rights accrued to such member are terminated.~~

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.

