

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)
2ND CONFERENCE COMMITTEE
SUBSTITUTE FOR ENGROSSED
SENATE BILL NO. 179

By: Monson of the Senate

and

Roberts of the House

2ND CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to public employees; allowing certain members of the Oklahoma Public Employees Retirement System to purchase termination credit; providing procedures for purchase of the credit; making the purchase of termination credit void under certain circumstances; allowing spouse to make certain election upon death of member who has purchased the termination credit; providing for codification; 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 913c of Title 74, unless there is created a duplication in numbering, reads as follows:

A. A member of the Oklahoma Public Employees Retirement System who has six (6) or more years of full-time-equivalent employment with a participating employer, and who is terminated by a state agency or other state governmental entity because the member's position is eliminated through a reduction-in-force between the effective date of this act and July 1, 1998, and:

1. Is within three (3) years of a normal retirement date as defined in paragraph (a) of subsection (23) of Section 902 of Title 74 of the Oklahoma Statutes; or

2. Is within six (6) years of a normal retirement date as defined in paragraph (b) of subsection (23) of Section 902 of Title 74 of the Oklahoma Statutes or in paragraph (c) of

subsection (23) of Section 902 of Title 74 of the Oklahoma Statutes,
may purchase termination credit of a period not to exceed the lesser of three (3) years or the number of years or months or both years and months required in order for the member to reach normal retirement date in the same period of time and with the same service credit which would have otherwise accrued if the termination had not occurred.

B. In order to receive the termination credit authorized by this section, the member shall be required to file an election with the System indicating an intent to purchase the credit. The member shall have a period of six (6) months from the date the member is terminated as described in subsection A of this section within which to file the election.

C. To purchase the termination credit, the member shall be required to make payment to the System of an amount equal to both the employer and employee contributions which would have been paid to the System based upon the compensation as defined in subsection (9) of Section 902 of Title 74 of the Oklahoma Statutes, which was received by the member in the last full month that the member was employed by the state agency or other state governmental entity multiplied by the number of months required in order for the combination of the participating service and member's age to equal the amount required for the member to reach normal retirement date with an unreduced benefit as if the member had not been terminated.

D. The member must make full payment to the System of all required contribution amounts within sixty (60) days of filing the election to purchase the credit. The member must vest his or her benefits with a declared future retirement date as of the first month the member is eligible for normal retirement. Failure to make the full payment to the System of the required contribution amounts, for any reason, within the time prescribed, shall result in cancellation of the election provided pursuant to this section, and return of the purchase amount tendered, without interest.

E. Purchased termination credit may only be used as service credit to qualify the member for normal retirement. Eligible members may purchase termination credit or the incentive credit authorized pursuant to Section 913b of Title 74 of the Oklahoma Statutes, but may not purchase both termination credit and incentive credit. This purchase will not be used in the calculation for final average compensation.

F. If the member chooses to retire at any time prior to the member's normal retirement date or returns to employment with a participating employer of the System at any time prior to retirement, the purchase of termination credit pursuant to this section shall be void and the System will return the purchase amount tendered, without interest.

G. In the event of the death of the member prior to retirement, the member's spouse, if otherwise eligible for benefits pursuant to paragraph (5) of Section 918 of Title 74 of the Oklahoma Statutes, may elect to receive benefits which include the termination credit on the member's declared future retirement date, or may elect to receive a return of the purchase amount tendered, without interest.

SECTION 2. 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.

46-1-1583

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