

ENROLLED HOUSE
BILL NO. 2695

By: Benson, Leist, Beutler,
Dunegan, Thomas,
Matlock, Steidley and
Cox of the House

and

Taylor and Monson of the
Senate

An Act relating to public retirement systems;
amending Section 8 of Enrolled Senate Bill No. 1037
of the 2nd Session of the 46th Oklahoma
Legislature, which relates to benefit increases for
the Teachers' Retirement System of Oklahoma;
prescribing period for computation of benefits;
authorizing benefits pursuant to law; specifying
certain periods of time; prescribing methods for
refunds or transfers of certain employee
contribution amounts for active members of the
Oklahoma Public Employees Retirement System;
stating legislative intent; describing certain
procedures related to employee contributions;
providing for delayed effect of procedures; stating
conditions pursuant to which certain refunds or
transfers occur; providing for codification;
providing an effective date; and declaring an
emergency.

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

SECTION 1. AMENDATORY Section 8 of Enrolled Senate Bill
No. 1037 of the 2nd Session of the 46th Oklahoma Legislature, is
amended to read as follows:

Section 8. A. Beginning July 1, 1998, a classified member who
retired prior to July 1, 1997, shall have the member's retirement
allowance calculated on the member's current average salary plus One
Thousand Four Hundred Dollars (\$1,400.00).

B. Beginning July 1, 1998, a nonclassified member who retired
prior to July 1, 1997, shall have the member's retirement allowance
calculated on the member's current average salary plus Seven Hundred
Dollars (\$700.00).

C. Beginning July 1, 1998, those individuals receiving benefits
pursuant to subsection (3) of Section 17-105 of this title whose
benefits commenced prior to July 1, 1997, shall receive an increase
in benefits of five and four-tenths percent (5.4%).

D. Benefits for which provision is made in subsections A, B and
C of this section shall terminate on June 30, 1999, unless said
benefits are specifically reauthorized by law prior to fiscal year
2000 and prior to each fiscal year thereafter.

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 910.5 of Title 74, unless there
is created a duplication in numbering, reads as follows:

Any active member, as of July 1, 1998, whose compensation for service exceeded Twenty-five Thousand Dollars (\$25,000.00) per annum prior to July 1, 1994, and who, prior to July 1, 1998, had voluntarily elected to increase the maximum compensation level pursuant to statutes in effect at that time, shall be refunded or have transferred, pursuant to this section and the procedures established by the Board, the employee contributions made on compensation for service which is in excess of Twenty-five Thousand Dollars (\$25,000.00) per annum prior to July 1, 1994. It is the intent of the Legislature that the excess contributions which were paid on a pretax basis and considered as picked up under the provisions of Section 414(h)(2) of the Internal Revenue Code of 1986 shall be transferred directly to an account established for the employee in the Oklahoma State Employees Deferred Savings Incentive Plan, and the excess contributions which were paid on an after-tax basis and not considered picked up under the provisions of Section 414(h)(2) of the Internal Revenue Code of 1986 shall be refunded directly to the employee. The provisions for refund or transfer contained in this section shall not take effect until the Board receives official written notice that this distribution satisfies the tax qualification requirements for governmental plans applicable to such refunds or transfers as specified in the Internal Revenue Code of 1986, as amended from time to time and as applicable to governmental plans and the relevant regulatory provisions and guidance related thereto.

SECTION 3. This act shall become effective July 1, 1998.

SECTION 4. 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 29th day of May, 1998.

Speaker of the House of
Representatives

Passed the Senate the 29th day of May, 1998.

President of the Senate