

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2497

By: Askins

AS INTRODUCED

An Act relating to state government; amending Section 15, Chapter 287, O.S.L. 1997 (74 O.S. Supp. 1997, Section 913d), which relates to certain severance credit; and clarifying language.

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

SECTION 1. AMENDATORY Section 15, Chapter 287, O.S.L. 1997 (74 O.S. Supp. 1997, Section 913d), is amended to read as follows:

Section 913d. 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 pursuant to paragraph 3 of subsection A of Section ~~7~~ 840-2.27D or paragraph 3 of subsection A of Section ~~12~~ 840-2.28 of this ~~act~~ title may purchase severance credit as prescribed by this section.

B. In order to receive the severance 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 decide before the date the member is terminated whether to file the election. The member shall be eligible to purchase, at

actuarial cost pursuant to Section 913.5 of ~~Title 74 of the Oklahoma Statutes~~ this title, an amount of severance credit in monthly increments to the extent that can be funded by the severance payment provided in paragraph 3 of subsection A of Section 7 840-2.27D or paragraph 3 of subsection A of Section ~~12~~ 840-2.28 of this ~~act~~ title.

C. Upon election by the member to purchase the severance credit, the member shall direct the member's employer to make payment to the System of the severance payment. The employer shall transfer the payment to the System within thirty (30) days from the date of election.

D. Purchased severance credit shall be used as credited service for determining normal or early retirement date, eligibility for vesting and in computing the amount of the retirement benefit. Eligible members may purchase severance credit in addition to termination credit or incentive credit, if otherwise eligible for those purchases. This purchase will not be used in the calculation for final average compensation.

E. In the event of the death of the member prior to retirement, the member's spouse, if otherwise eligible for benefits under subsection (5) of Section 918 of ~~Title 74 of the Oklahoma Statutes~~ this title, may elect to receive benefits which include the severance credit.

F. If the member becomes ineligible to receive a retirement benefit from the System for any reason, including withdrawal or death with no survivor benefits payable, the purchase of severance credit shall be canceled, and the System shall return the purchase price tendered, without interest.