

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 295

By: Fisher

COMMITTEE SUBSTITUTE

[retirement - amending 74 O.S., Section 910.5 -
retirement service credit purchase - repealer -
effective date -

emergency]

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

SECTION 1. AMENDATORY Section 12, Chapter 419, O.S.L.
1998 (74 O.S. Supp. 1998, Section 910.5), is amended to read as
follows:

Section 910.5 A. 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.

B. In lieu of having excess contributions refunded or transferred pursuant to subsection A of this section, the employee may elect to purchase, with such excess contributions, a prorated amount of service credit with the System. The amount of service credit that can be purchased pursuant to this subsection shall be determined by the Board pursuant to Section 913.5 of this title. Such purchased service credit shall not be used in determining a member's normal retirement date or date of vesting but shall be used in determining years of service in calculating the retirement benefit. The Board shall promulgate rules necessary to implement the provisions of this subsection.

SECTION 2. REPEALER Section 2, Chapter 363, O.S.L. 1998 (74 O.S. Supp. 1998, Section 910.5), is hereby repealed.

SECTION 3. This act shall become effective July 1, 1999.

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.

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