

ENGROSSED SENATE
BILL NO. 386

By: Monson of the Senate

and

Ostrander of the House

[retirement - 74 O.S. Supp. 1998, Section 910.5 -
refund of certain additional contributions made by
certain vested members - 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~~
subsection 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~~ subsection 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. Any member who is vested or eligible to vest and not participating or retired from the System, 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 granted, pursuant to this subsection and the procedures established by the Board, a limited retirement benefit in addition to their normal retirement benefit in an amount equivalent to the additional employee contributions paid by the employee and made on compensation for service which is in excess of Twenty-five Thousand Dollars (\$25,000.00) per annum prior to July 1, 1994. The limited benefit shall be payable in an amount equal to Two Hundred Dollars (\$200.00) per month or the amount of additional contributions actually paid, whichever is less, beginning with the first month the member retires and begins to receive monthly retirement benefits until the amount of additional contributions has been paid. Upon the death of the member, the remaining unpaid amount of additional contributions, if any, shall be paid to the member's beneficiary in a lump sum or to the joint annuitant in the same manner as paid to the member if an election of a survivor option has been made pursuant to Section 918 of this title. Any provisions for cost of living or other retirement benefit adjustments shall not be applicable to this limited benefit. The provisions for the limited

retirement benefit contained in this subsection 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 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.

Passed the Senate the 23rd day of February, 1999.

President of the Senate

Passed the House of Representatives the ____ day of _____, 1999.

Speaker of the House of Representatives