

ENROLLED HOUSE
BILL NO. 2560

By: Taylor of the House

and

Weedn of the Senate

An Act relating to counties and county officers; amending 19 O.S. 1991, Section 339, as last amended by Section 1, Chapter 76, O.S.L. 1999 (19 O.S. Supp. 1999, Section 339), which relates to general powers of the board of county commissioners; requiring approval of certain order by board of county commissioners; permitting board of county commissioners to execute certain agreements when leasing or lease-purchasing equipment; permitting board of county commissioners to open a petty cash account for motor vehicle registration; requiring funds to be returned to certain account or fund; requiring county purchasing agent to be custodian of petty cash account; providing for audit; amending 19 O.S. 1991, Section 953, as amended by Section 1, Chapter 297, O.S.L. 1994, 953.1, as last amended by Section 2, Chapter 297, O.S.L. 1994, Section 3, Chapter 297, O.S.L. 1994, 956, Section 956.2, as last amended by Section 2, Chapter 185, O.S.L. 1995, and 957 (19 O.S. Supp. 1999, Sections 953, 953.1, 953.1A, and 956.2), which relate to county retirement; amending population limitations; amending date for annual report; allowing certain counties to reduce minimum service requirements; correcting statutory error; removing remarriage prohibition; allowing certain counties to elect to increase survivor benefit; allowing certain counties to elect to provide early retirement; providing actuarially reduced benefit upon election to take early retirement; modifying definition of employee; and providing an effective date.

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

SECTION 1. AMENDATORY 19 O.S. 1991, Section 339, as last amended by Section 1, Chapter 76, O.S.L. 1999 (19 O.S. Supp. 1999, Section 339), is amended to read as follows:

Section 339. A. The county commissioners shall have power:

1. To make all orders respecting the real property of the county, to sell the public grounds of the county and to purchase other grounds in lieu thereof; and for the purpose of carrying out the provisions of this section it shall be sufficient to convey all the interests of the county in such grounds when an order made for

the sale and a deed is executed in the name of the county by the chair of the board of county commissioners, reciting the order, and signed by the chair and acknowledged by the county clerk for and on behalf of the county;

2. To audit the accounts of all officers having the care, management, collection or disbursement of any money belonging to the county or appropriated for its benefit;

3. To construct and repair bridges and to open, lay out and vacate highways: Provided, however, that when any state institution, school or department shall own, lease or otherwise control land on both sides of any established highway, the governing board or body of the same shall have the power to vacate, alter or relocate ~~said~~ the highway adjoining ~~said~~ the property in the following manner:

If it should appear that it would be to the best use and interest of such institution, school or department to vacate, alter or relocate such highway, the governing board or body shall notify the board of county commissioners, in writing, of their intention to hold a public hearing and determine whether to vacate, alter or relocate such highway, setting forth the location and terminals of the road, and all data concerning the proposed right-of-way if changed or relocated, and shall give fifteen (15) days' notice of such hearing by publication in some newspaper in the county or counties in which the road is located, and such hearing shall be held at the county seat of the county in which the road is located, and if a county line road, may be heard in either county. At such hearing testimony may be taken, and any protests or suggestions shall be received as to the proposed measure, and at the conclusion thereof if the governing board or body shall find that it would be to the best use and interest of such institution, school or department, and the public generally, they may make an appropriate order either vacating, altering or relocating the highway, which order shall be final; ~~provided further, that such~~ if approved by the board of county commissioners. Such institution, school or department may by agreement share the cost of changing any such road; ~~and provided further, that no.~~ No property owner shall be denied access to a public highway by such order;

4. Until January 1, 1983, to furnish necessary blank books, plats, blanks and stationery for the clerk of the district court, county clerk, register of deeds, county treasurer and county judge, sheriff, county surveyor and county attorney, justices of the peace, and constables, to be paid for out of the county treasury; also a fireproof vault sufficient in which to keep all the books, records, vouchers and papers pertaining to the business of the county;

5. To set off, organize and change the boundaries of townships and to designate and give names therefor: Provided, that the boundaries of no township shall be changed within six (6) months next preceding a general election;

6. To lease tools, apparatus, machinery or equipment of the county to another political subdivision or a state agency. The Association of County Commissioners of Oklahoma, the Oklahoma State University Center for Local Government Technology and the Office of the State Auditor and Inspector, together, shall establish a system

of uniform rates for the leasing of such tools, apparatus, machinery and equipment;

7. To jointly, with other counties, buy heavy equipment and to loan or lease such equipment across county lines ~~and~~;

8. To develop minimum personnel policies for the county with the approval of a majority of all county elected officers;

9. To purchase, rent, or lease-purchase uniforms, safety devices and equipment for the officers and employees of the county and, provide incentive awards for safety related job performance. However, no employee shall be recognized more than once per calendar year and the award shall not exceed the value of One Hundred Dollars (\$100.00). The county commissioners may pay for any safety training or safety devices and safety equipment out of the general county funds or any county highway funds available to the county commissioners;

10. To provide for payment of notary commissions, filing fees, and the cost of notary seals and bonds;

11. To do and perform such other duties and acts that the board of county commissioners may be required by law to do and perform;

12. To make purchases at a public auction pursuant to the county purchasing procedures in subsection D of Section 1505 of this title;

13. To deposit interest income from highway funds in the general fund of the county;

14. To submit sealed bids for the purchase of equipment from this state, or any agency or political subdivision of this state;

15. To utilize county owned equipment, labor and supplies at their disposal on property owned by the county, public schools, state and unincorporated towns and cities with populations less than two thousand five hundred (2,500), the county may be reimbursed expenses related to any particular project upon the development and agreement of the work order; ~~and~~

16. To enter into intergovernmental cooperative agreements with the federally recognized Indian tribes within this state to address issues of construction and maintenance of streets, roads, bridges and highways exclusive of the provisions of Section 1221 of Title 74 of the Oklahoma Statutes; and

17. To execute hold harmless agreements with the lessor in the manner provided by subsection B of Section 636.5 of Title 69 of the Oklahoma Statutes when leasing or lease-purchasing equipment.

B. The county commissioners of a county or, in counties where there is a county budget board, the county budget board may designate money from general county funds for the designated purpose of drug enforcement and drug abuse prevention programs within the county.

C. When any lease or lease purchase is made on behalf of the county by the board pursuant to the provisions of this section, the

county shall be allowed to have trade in values for transactions involving the Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of the Oklahoma Statutes.

D. In order to timely comply with the Oklahoma Vehicle License and Registration Act with regard to county vehicles, the board of county commissioners may, by resolution, create a petty cash account. The board of county commissioners may request a purchase order for petty cash in an amount necessary to pay the expense of license and registration fees for county motor vehicles. Any balance in the petty cash account after the license and registration fees have been paid shall be returned to the account or fund from which the funds originated. The county purchasing agent shall be the custodian of the petty cash account, and the petty cash account shall be subject to audit.

SECTION 2. AMENDATORY 19 O.S. 1991, Section 953, as amended by Section 1, Chapter 297, O.S.L. 1994 (19 O.S. Supp. 1999, Section 953), is amended to read as follows:

Section 953. A. Every county establishing a retirement fund and system and having a population in excess of ~~five hundred fifty thousand (550,000)~~ five hundred ninety thousand (590,000) according to the latest Federal Decennial Census is hereby authorized to contribute to such fund and to pay to the treasurer of such fund for the use and benefit of the persons eligible for retirement benefits such amounts as the board of trustees may authorize by resolution not exceeding the limitation as provided in Section 954 of this title. Money on hand in this fund shall not be available for any other purpose and shall not be used for any purpose other than for retirement benefits to eligible persons except as provided in Section 952.2 of this title; provided that should any county employee who has contributed to such retirement fund cease, either by resignation, discharge or failure of re-election, to be a county employee at any time before such employee becomes eligible for retirement, such employee shall be entitled to receive from the retirement fund an amount, without interest, equal to the sum deducted from his or her salary and credited to the retirement fund, and the board of trustees is hereby authorized and required, on written demand of such employee, to return to such employee, without interest, all funds contributed by such employee; and, provided further, that should any county employee whose services as such employee shall have ceased prior to such employee being eligible for retirement, and should such employee have withdrawn his or her contribution to the retirement fund as provided herein, such employee shall not thereafter become eligible for retirement unless he or she shall have paid into the pension fund all money previously withdrawn therefrom by such employee by September 1, 1984, for those employees that again became county employees prior to July 1, 1984, and within sixty (60) days after an employee again becomes a county employee for those employees that again become county employees on or after July 1, 1984.

B. Every county establishing a retirement fund and system and not having a population in excess of ~~five hundred fifty thousand (550,000)~~ five hundred ninety thousand (590,000) according to the latest Federal Decennial Census is hereby authorized to contribute to such fund and to pay to the treasurer of such fund for the use and benefit of the persons eligible for retirement benefits such amounts as the board of trustees may authorize by resolution not

exceeding the limitation as provided in Section 954 of this title. Money on hand in this fund shall not be available for any other purpose and shall not be used for any purpose other than for retirement benefits to eligible persons except as provided in Section 952.2 of this title; provided that should any county employee who has contributed to such retirement fund cease, either by resignation, discharge or failure of re-election, to be a county employee at any time before such employee becomes eligible for retirement, such employee shall be entitled to receive from the retirement fund an amount, without interest, equal to the sum deducted from his or her salary and credited to the retirement fund, and the board of trustees is hereby authorized and required, on written demand of such employee, to return to such employee, without interest, all funds contributed by such employee; and, provided further, that should any county employee whose services as such employee shall have ceased prior to such employee being eligible for retirement, and should such employee have withdrawn his or her contribution to the retirement fund as provided herein, such an employee, otherwise meeting the eligibility requirements for membership, who has withdrawn his or her accumulated contributions at any period of time, and who wishes to reinstate the creditable service covered by such contributions, shall pay the system the full amount of contributions previously withdrawn with interest thereon at the annual percentage rate of ten percent (10%) from the date withdrawn. The withdrawn contributions plus interest must be repaid by August 31, 1994 to reinstate such creditable service. Any increase in benefits resulting from reinstatement of creditable service under this subsection shall be prospective from the date of repayment. Nothing in this subsection shall apply to alter any amount of benefits paid or due prior to repayment of the withdrawn contributions.

SECTION 3. AMENDATORY 19 O.S. 1991, Section 953.1, as last amended by Section 2, Chapter 297, O.S.L. 1994 (19 O.S. Supp. 1999, Section 953.1), is amended to read as follows:

Section 953.1 A. The board of trustees shall discharge their duties with respect to the retirement system solely in the interest of the participants and beneficiaries and:

1. For the exclusive purpose of:

- a. providing benefits to participants and their beneficiaries, and
- b. defraying reasonable expenses of administering the retirement system;

2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

3. By diversifying the investments of the retirement system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

4. In accordance with the laws, documents and instruments governing the retirement system.

B. The monies of the retirement system shall be invested only in assets eligible for the investment of funds of legal reserve life insurance companies in this state as provided for in Sections 1602 through 1611, 1613 through 1620, and 1622 through 1624 of Title 36 of the Oklahoma Statutes. The term "admitted assets" shall mean the amount of the monies of the retirement system and the provisions relating to limitation of investments as a percentage of surplus and loans to policyholders shall be inapplicable with respect to investment of the monies of the retirement system. The monies of the retirement system may be invested in certificates of indebtedness or such other enforceable evidences of obligation as may be utilized in the rights-of-way acquisitions by the Oklahoma Department of Transportation. The monies of the retirement system may also be invested in bonds secured by first mortgages, pass-through securities and insured participation certificates representing interests in first mortgages or insured mortgage pass-through certificates on one-to four-family residences located within this state.

C. The board of trustees may procure insurance indemnifying the members of the board of trustees from personal loss or accountability from liability resulting from a member's action or inaction as a member of the board of trustees.

D. The board of trustees may establish an investment committee. The investment committee shall be composed of not more than five (5) members of the board of trustees appointed by the chair of the board of trustees. The committee shall make recommendations to the full board of trustees on all matters related to the choice of custodians and managers of the assets of the retirement system, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the board of trustees in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the board of trustees nor take effect without the approval of the board of trustees as provided by law.

E. The board of trustees may retain qualified investment managers to provide for the investment of the monies of the retirement system. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the board of trustees. Subject to the overall investment guidelines set by the board of trustees, the investment managers shall have full discretion in the management of those monies of the retirement system allocated to the investment managers. The board of trustees shall manage those monies not specifically allocated to the investment managers. The monies of the retirement system allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

F. Funds and revenues for investment by the investment managers or the board of trustees may be placed with a custodian selected by the board of trustees. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of

proposals on a competitive bid basis pursuant to standards set by the board of trustees. In compliance with the investment policy guidelines of the board of trustees, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the retirement system are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the retirement system as to the investment of the monies of the retirement system in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the board of trustees for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

G. By November 1, 1989, and prior to August 1 of each year thereafter, the board of trustees shall develop a written investment plan for the retirement system.

H. After July 1 and before October 1 of each year, the board of trustees shall publish widely an annual report presented in simple and easily understood language. The report shall be submitted to the board of county commissioners, and to the individual members of the retirement system. The annual report shall cover the operation of the retirement system during the past fiscal year, including income, disbursements, and the financial condition of the retirement system at the end of the fiscal year. The annual report shall also include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over-funded status, contributions and any other information deemed relevant by the board of trustees. The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performance of the retirement system for the fiscal year.

I. The requirements of this section shall apply to retirement funds and systems in counties which have a population in excess of ~~five hundred fifty thousand (550,000)~~ five hundred ninety thousand (590,000) according to the latest Federal Decennial Census.

SECTION 4. AMENDATORY Section 3, Chapter 297, O.S.L. 1994 (19 O.S. Supp. 1999, Section 953.1A), is amended to read as follows:

Section 953.1A A. The board of trustees shall discharge their duties with respect to the retirement system solely in the interest of the participants and beneficiaries and:

1. For the exclusive purpose of:
 - a. providing benefits to participants and their beneficiaries, and
 - b. defraying reasonable expenses of administering the retirement system;

2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

3. By diversifying the investments of the retirement system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

4. In accordance with the laws, documents and instruments governing the retirement system.

B. The board of trustees may procure insurance indemnifying the members of the board of trustees from personal loss or accountability from liability resulting from a member's action or inaction as a member of the board of trustees.

C. The board of trustees may establish an investment committee. The investment committee shall be composed of not more than five (5) members of the board of trustees appointed by the chair of the board of trustees. The committee shall make recommendations to the full board of trustees on all matters related to the choice of custodians and managers of the assets of the retirement system, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the board of trustees in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the board of trustees nor take effect without the approval of the board of trustees as provided by law.

D. The board of trustees shall retain qualified investment managers to provide for the investment of the monies of the retirement system. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the board of trustees. Subject to the overall investment guidelines set by the board of trustees, the investment managers shall have full discretion in the management of those monies of the retirement system allocated to the investment managers. The board of trustees shall manage those monies not specifically allocated to the investment managers. The monies of the retirement system allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

E. Funds and revenues for investment by the investment managers or the board of trustees shall be placed with a custodian selected by the board of trustees. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the board of trustees. In compliance with the investment policy guidelines of the board of trustees, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the retirement system are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of

the retirement system as to the investment of the monies of the retirement system in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the board of trustees for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

F. Prior to August 1 of each year, the board of trustees shall develop a written investment plan for the retirement system.

G. The board of trustees shall compile a quarterly financial report of all the funds of the system on a fiscal year basis. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The report shall be distributed to the board of county commissioners.

H. After July 1 and before ~~October 1~~ December 1 of each year, the board of trustees shall publish widely an annual report presented in simple and easily understood language. The report shall be submitted to the board of county commissioners, and to the individual members of the retirement system. The annual report shall cover the operation of the retirement system during the past fiscal year, including income, disbursements, and the financial condition of the retirement system at the end of the fiscal year. The annual report shall also include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over-funded status, contributions and any other information deemed relevant by the board of trustees. The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performance of the retirement system for the fiscal year.

I. The requirements of this section shall apply to retirement funds and systems in counties which do not have a population in excess of ~~five hundred fifty thousand (550,000)~~ five hundred ninety thousand (590,000) according to the latest Federal Decennial Census.

SECTION 5. AMENDATORY 19 O.S. 1991, Section 956, is amended to read as follows:

Section 956. No county employee shall be eligible for retirement benefits under this act until such employee:

1. Has attained the age of sixty-two (62) years and shall have served for a period of at least fifteen (15) years with said county, and the last two (2) years of such service shall have been consecutive immediately preceding such retirement; or

2. Has attained the age of fifty-five (55) years and shall have served for a period of at least thirty (30) years with said county; or

3. Has attained the age at which the sum of the employee's age and number of years of service with the county total eighty (80).

To be eligible for retirement benefits the employee's service with the county shall have ceased. Provided, that any county employee who shall have completed fifteen (15) years of service as such county employee, the last two (2) years of which shall have been consecutive, and who, at the time of completing such fifteen (15) years of service shall not have reached the age of sixty-two (62) years, may then elect to retire, such retirement to become effective and all retirement benefits to begin when such county employee shall have attained the age of sixty-two (62) years, provided that such election shall be in writing upon such form as the board of trustees shall direct, and such election shall be signed by such employee and filed with the board of trustees, and any funds paid into the retirement system by such employee may not thereafter be withdrawn by such employee. Provided, that when approved by the board of trustees of the county retirement system and the board of county commissioners of any county which has provided for a retirement fund and system as authorized under the provisions of Section 951 of this title, the board of trustees may lower the mandatory fifteen-year requirement to not less than ~~eight (8)~~ five (5) years by a resolution if the following has occurred:

1. Prior to such action, an actuarial report on the system shall be made by an independent professional actuary qualified as an "Enrolled actuary" as defined by the Employee Retirement Income Security Act (ERISA) of 1974, which report shall determine and declare whether the reduction of the mandatory service requirement would result in any additional unfunded or accrued liabilities and, if so, the amount required to make the retirement system actuarially sound expressed in dollars and in percent of the gross payroll.

2. Such report shall be filed with the board of trustees and with the board of county commissioners and notice of the receipt and filing of such report be given by the board of county commissioners by publishing notice thereof in a newspaper of general circulation in the county. Such report shall be a public document subject to examination by any interested person. Any member of the retirement system or any citizen of the county may, within thirty (30) days from the date of such publication, file a petition in the district court of the county in which the retirement system is located to challenge the validity and accuracy of the actuarial report or any other action taken in connection therewith, and the court is hereby vested with jurisdiction to receive evidence and enter a judgment affirming, modifying or rejecting the actuarial report or any funding provisions, and such report shall be conformed in accordance with any final judgment. The costs, including attorney fees, if any, of such action shall be assessed by the court as it may deem equitable irrespective of the form of the judgment.

3. If the final report determines that additional funding shall be required to implement any reduction of the mandatory service requirement, then and in that event affirmative action by the board of county commissioners, approved by the board of trustees, providing for the funding of any such changed benefits in an amount necessary to make said system actuarially sound upon the implementation of such change shall be established at or prior to the effective date of such reduction in the mandatory service requirement.

4. If the report reveals no additional funding requirement, then the board of county commissioners with the approval of the board of trustees may lower the mandatory_fifteen-year service requirement as provided in this section without a corresponding or concurrent funding resolution.

5. It is further provided that if the mandatory service credit is reduced to a period of time less than fifteen (15) years, then and in that event the retirement benefits shall be correspondingly reduced by at least an amount equal to six and two-thirds percent (6 2/3%) from that which would have been earned for fifteen (15) years' service multiplied by the number of years of reduction in the mandatory service except for those retirees who have eight (8) years' service and are entitled to disability retirement. The entitlement to disability retirement and the amount thereof shall not be affected by this paragraph.

6. No person shall be entitled to receive the benefits of a reduction in the mandatory service requirement who at the time of such reduction is not then an employee of the county, has been continuously employed by the county and a member of the county retirement system for the twenty-four (24) months immediately preceding the reduction in the mandatory service requirement or shall have been an employee with twenty-four (24) months immediately preceding the election by such employee to receive the benefit of the reduced mandatory service requirement.

Provided further, that, for the purposes of this act and the eligibility of employees to participate therein, employees of levee districts shall be considered county employees. Retirement benefits, disability benefits and benefits paid to the surviving spouse shall be calculated on the average of the income of any three (3) years which shall be the years of highest income for said employee during participation in said retirement system.

Any employee of the county covered by this act who shall have completed eight (8) years of employment with said county and who, by reason of disability resulting from the performance of his duties as such employee of said county, shall become disabled to such an extent as to be unable to perform his duties as an employee shall be entitled to disability retirement and to such benefits as the board of trustees shall determine; provided, however, that the board of trustees shall find that said disability is total and permanent, and resulted from the performance of his duty as such employee of the county.

Any person who has been a regular county employee for at least one (1) year immediately preceding the time he is required, by Act of Congress of the United States and/or by order of the President of the United States, or volunteers to leave the employment of the county to enter the military service of the United States government shall receive credit, for the purposes of this act, for all actual time so served in full-time military service, but not to exceed a total of four (4) years in all; provided, however, that to be eligible to receive such credit, the employee shall not withdraw funds previously contributed, as otherwise permitted by the provisions of this act; provided, further, that neither the employee nor the county shall be required to make further contribution to the retirement fund during the period of military service; and, provided, further, that the credit time allowed, hereby, shall not

be considered in lieu of the two (2) years' consecutive employment required by this section, as a prerequisite to receiving retirement benefits hereunder. Provided further, that if any county employee who shall have completed at least fifteen (15) years of service to any county covered by this act and who has not yet reached the age of retirement shall die, then, and in such event, the surviving spouse of said county employee shall receive retirement benefits in the amount of sixty-six and two-thirds percent (66 2/3%) of whatever benefits would otherwise be received by said county employee under this act at the age of sixty-two (62) years, such retirement benefits to the surviving spouse to begin on the date said deceased county employee would have reached the age of sixty-two (62) years.

Provided further, that if any county employee receiving or eligible to receive retirement benefits pursuant to the provisions of this act shall die, then, and in such event, the surviving spouse of said person shall receive retirement benefits in the amount of sixty-six and two-thirds percent (66 2/3%) of whatever benefits the deceased was receiving or was entitled to receive for the remainder of the natural life of said surviving spouse ~~or until remarriage~~. This provision shall apply to anyone who has qualified for retirement, even though they may not have retired or are deceased. Said provision also shall include any employees who have retired after January 1, 1970, and later shall become deceased, then in such event the surviving spouse shall receive sixty-six and two-thirds percent (66 2/3%). This shall not apply to persons who have retired prior to January 1, 1970, or their spouses.

Provided further, that the board of trustees and the board of county commissioners may elect to amend the surviving spouse benefit provision to increase the surviving spouse retirement benefit to as much as one hundred percent (100%).

Provided further, that the board of trustees and the board of county commissioners may elect to amend the benefit provisions to allow any vested employee who is otherwise not eligible to retire because such employee has not satisfied any of the age requirements the option of retiring as early as age fifty-five (55). However, such employee shall have met the minimum service requirements approved by the board of trustees of the county retirement system and the board of county commissioners. If any employee elects such an option, the employee shall receive an actuarially reduced benefit.

SECTION 6. AMENDATORY 19 O.S. 1991, Section 956.2, as last amended by Section 2, Chapter 185, O.S.L. 1995 (19 O.S. Supp. 1999, Section 956.2), is amended to read as follows:

Section 956.2 A. In lieu of the retirement benefits specified in Section 956 of this title, upon approval by the board of trustees and the board of county commissioners, a county authorized to provide a retirement system pursuant to the provisions of Section 951 et seq. of this title, with a population in excess of ~~five hundred fifty thousand (550,000)~~ five hundred ninety thousand (590,000), may provide for retirement benefits for the retirement system based upon the contributions of the individual employee, if any, contributions of the county for the benefit of such employee, if any, together with earnings accruals thereon for such periods of time as the board of trustees and the board of county commissioners, in their discretion, may determine best meets the purpose of the

retirement system. Notwithstanding any other provision in this section, a retirement benefits plan based upon the contributions by or for the benefit of an employee as provided in this subsection shall be subject to the following vesting restrictions:

1. Twenty percent (20%) vesting after two (2) years of service;
2. Forty percent (40%) vesting after three (3) years of service;
3. Sixty percent (60%) vesting after four (4) years of service;
4. Eighty percent (80%) vesting after five (5) years of service; and
5. One hundred percent (100%) vesting after six (6) years of service.

These vesting restrictions are for the benefit of a participating member or other designated beneficiary after the employment of the member is permanently terminated with a participating employer of the retirement plan. An employee is permanently terminated after termination from employment with a participating employer after passage of the period of time specified in the retirement plan. Pending permanent termination of an employee, the non-vested portion of the monies will be held in escrow until the time for reinstatement has lapsed as specified in the retirement plan. After the time for reinstatement has lapsed, any non-vested forfeitures shall be used to offset prospective employer contributions or to pay expenses associated with the retirement plan.

B. Notwithstanding other provisions of law, the accumulated vested benefits of a member, as provided in this section, who dies before retirement or permanent termination of employment, may be withdrawn from time to time in whole or in part by the beneficiary of the deceased member upon application to the Board of Trustees in a manner prescribed by the Board of Trustees.

C. If a county elects to provide benefits pursuant to this section, all persons participating in the existing system shall be given the option of remaining subject to the existing retirement system. All persons becoming members of the retirement system after the effective date of this act would be required to participate in the defined contribution benefit system specified in this section. Upon approval of the board of trustees and the board of county commissioners, the existing liabilities under the defined benefits system provided in Section 956 of this title and the liabilities accrued under the defined contribution benefit system provided in this section may be funded by annuities purchased from annuity or insurance companies licensed to do business in this state as recommended by the board of trustees and approved by the board of county commissioners.

D. All administrative costs associated with the operation of a defined benefit retirement system shall be paid exclusively from the contributions made by the employer on behalf of employees electing to participate in the defined benefit retirement system, the contributions made by individual employees electing to participate in the defined benefit retirement system and any income generated

from investment of the funds of the defined benefit retirement system.

E. No costs associated with the operation of a defined contribution retirement system may be paid from funds used in the operation of a defined benefit retirement system. Said costs associated with the operation of the defined contribution retirement system shall be paid for by the county from the county general fund as defined by Section 331 of Title 62 of the Oklahoma Statutes or from any other monies available which are not specifically prohibited from being used for this purpose.

SECTION 7. AMENDATORY 19 O.S. 1991, Section 957, is amended to read as follows:

Section 957. An "employee", as used Sections 951 through 962 of this title, shall include the elected or appointed salaried officials and regular full-time salaried employees of a county, and shall also include regular full-time employees of the county board of library trustees, county employees whose salaries are paid in whole or in part from the court fund of such county, employees of county circuit engineering districts, and employees of any public trust created pursuant to law in which the county is the sole beneficiary of the public trust, if approved by the board of county commissioners ~~of said county~~.

SECTION 8. This act shall become effective November 1, 2000.

Passed the House of Representatives the 4th day of May, 2000.

Speaker of the House of
Representatives

Passed the Senate the 12th day of April, 2000.

President of the Senate