STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

HOUSE BILL HB2458 By: Ostrander

AS INTRODUCED

An Act relating to public retirement systems; amending 74 O.S. 1991, Section 915, as last amended by Section 38, Chapter 257, O.S.L. 1999 (74 O.S. Supp. 1999, Section 915), which relates to retirement benefit computations; authorizing certain firefighters to make election regarding benefit computation; prescribing procedures for computation of service credit and retirement benefits; providing for retirement benefit computations of certain firefighters hired on or after certain date; providing for eligibility to elect vested benefit; prescribing maximum length of service for certain purpose; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 915, as last amended by Section 38, Chapter 257, O.S.L. 1999 (74 O.S. Supp. 1999, Section 915), is amended to read as follows:

Section 915. A. ~~(1)~~ 1. Except as provided in paragraph ~~(2)~~ 2 of this subsection and as provided for elected officials in Section 913.4 of this title, any member who shall retire on or after his normal retirement date shall be entitled to receive an annual retirement benefit equal to two percent (2%) of the member's final average compensation as determined pursuant to paragraph (18) of Section 902 of this title, multiplied by the number of years of credited service that has been credited to the member in accordance with the provisions of Section 913 of this title, and provided, the minimum final average compensation for any person who becomes a member of the System on or after July 1, 1995:

a. and who had twenty (20) or more years of credited service within the System as of the member's retirement date shall be no less than Thirteen Thousand Eight Hundred Dollars ($13,800.00) per annum,

b. and who had at least fifteen (15) but not more than nineteen (19) years of credited service within the System as of the member's retirement date shall be no less than Six Thousand Nine Hundred Dollars ($6,900.00) per annum,

c. and who had less than fifteen (15) years of credited service within the System as of the member's retirement date shall not be eligible for any minimum amount of final average compensation and the member's final average compensation shall be the final average compensation as defined by paragraph (18) of Section 902 of this title~~,~~.

Provided, further, any member who has elected a vested benefit pursuant to Section 917 of this title shall be entitled to receive benefits as outlined in this section except the percent factor and the member's maximum compensation level in effect the date his employment was terminated with a participating employer shall be applicable.

~~(2)~~ 2. Any member who is:

a. a correctional officer or a probation and parole officer employed by the Department of Corrections at the time of retirement shall be entitled to receive an annual retirement benefit equal to two and one-half percent (2 1/2%) of the final average compensation of the member not to exceed Twenty-five Thousand Dollars ($25,000.00) and two percent (2%) of the final average salary in excess of Twenty-five Thousand Dollars ($25,000.00) but not exceeding the maximum

compensation level as provided in paragraph (9) of Section 902 of this title, multiplied by the number of years of service as a correctional officer or a probation and parole officer, provided, any years accrued prior to July 1, 1990, as a correctional officer or a probation and parole officer by a member who is employed as a correctional officer or a probation and parole officer on July 1, 1990, shall be calculated for retirement purposes at two and one-quarter percent (2 1/4%) of the final average compensation of the member not to exceed Twenty-five Thousand Dollars ($25,000.00) and two percent (2%) of the final average salary in excess of Twenty-five Thousand Dollars ($25,000.00) but not exceeding the maximum compensation level as provided in paragraph (9) of Section 902 of this title, multiplied by the number of years of such service and any years in excess of twenty (20) years as such an officer or years credited to the member in accordance with the provisions of Section 913 of this title shall be calculated for retirement purposes at two percent (2%) of the final average compensation of the member multiplied by the number of years of such service. Any person who contributes to the System as a correctional officer or a probation and parole officer as provided in paragraph (c) of subsection (1) of Section 919.1 of this title, and who does not qualify for normal retirement under subparagraph (c) of paragraph (24) of Section 902 of this title shall have retirement benefits for each year of full-time-equivalent participating service as a correctional or a probation and parole officer after July 1, 1990

computed on two and one-half percent (2 1/2%) of the final average compensation based upon those years as a correctional officer or a probation and parole officer, or

b. a firefighter employed by the Oklahoma Military Department on June 30, 2000, and who complies with the requirements of this subparagraph and any firefighter hired by the Oklahoma Military Department on or after July 1, 2000, who shall retire on or after the member's normal retirement date shall be entitled to receive a benefit equal to two and one-half percent (2.5%) of the member's final average compensation, multiplied by the number of years of credited service as a firefighter for the Oklahoma Military Department that has been credited to the member in accordance with the provisions of Section 913 of this title subject to the following requirements:

(1) in order to receive the retirement benefit authorized by this subparagraph, a firefighter employed by the Oklahoma Military Department on June 30, 2000, may make an election in writing, on a form prescribed for this purpose by the System, not later than December 31, 2000. The election authorized by this subparagraph shall be irrevocable once the election is filed with the System.

(2) a member making an election pursuant to this subparagraph to include years of service performed prior to July 1, 2000, in the benefit computation authorized by this subparagraph shall make payment to the System of the actuarial cost for such years of service computed as provided by

Section 913.5 of this title. The System shall use all years of service purchased as authorized by this subparagraph for purposes of the benefit computation authorized by this subparagraph and shall cancel any service not purchased. The member may make payment to the System of any required amount in the manner authorized by Section 913.5 of this title and the payments shall be subject to the same requirements as prescribed by Section 913.5 of this title.

(3) upon reaching a normal retirement date, the benefit of the member making the election shall be computed as provided by this subparagraph.

(4) a member hired on or after July 1, 2000, as a firefighter for the Oklahoma Military Department shall be eligible to elect a vested benefit after performing ten (10) years of participating service as a firefighter of the Oklahoma Military Department.

(5) a member of the System either making the election authorized by this subparagraph or a member of the System hired as a firefighter by the Oklahoma Military Department on or after July 1, 2000, shall be allowed to accrue a maximum of thirty (30) years of participating service for purposes of the benefit computation authorized by this subparagraph.

~~(3)~~ 3. Upon death of a retirant, there shall be paid to his beneficiary an amount equal to the excess, if any, of his accumulated contributions over the sum of all retirement benefit payments made.

~~(4)~~ 4. Such annual retirement benefits shall be paid in equal monthly installments, except that the Board may provide for the payment of retirement benefits which total less than Two Hundred Forty Dollars ($240.00) a year on other than a monthly basis.

~~(5)~~ 5. Pursuant to the rules established by the Board, a retiree receiving monthly benefits from the System may authorize warrant deductions for any products currently offered to active state employees through the Employees Benefits Council, provided that product is offered to state retirees as a group and has a minimum participation of five hundred state retirees. The System has no responsibility for the marketing, enrolling or administration of such products, but shall retain a processing fee of two percent (2%) of the gross deductions for the products. Retirement benefit deductions shall be made for membership dues for any statewide association for which payroll deductions are authorized pursuant to subsection B of Section 7.10 of Title 62 of the Oklahoma Statutes for retired members of any state-supported retirement system, upon proper authorization given by the member to the board from which the member or beneficiary is currently receiving retirement benefits.

B. A member shall be considered disabled if such member qualifies for the payment of Social Security disability benefits, or the payment of benefits pursuant to the Railroad Retirement Act of 1974, Section 231 et seq. of Title 45 of the United States Code, and shall be eligible for benefits hereunder upon proof of such disability, provided such member is an active regularly scheduled employee with a participating employer at the time of injury or inception of illness or disease resulting in subsequent certification of eligibility for Social Security disability benefits by reason of such injury, illness or disease, providing such disability is certified by the Social Security Administration within one (1) year after the last date physically on the job and after completion of at least eight (8) years of participating service or

combined prior and participating service or resulting in subsequent certification of eligibility of disability by the Railroad Retirement Board providing such certification is made by the Railroad Retirement Board within one (1) year after the last date physically on the job and after completion of at least eight (8) years of participating service or combined prior and participating service. The member shall submit to the Retirement System the Social Security Award Notice or the Railroad Retirement Award Notice certifying the date of entitlement for disability benefits, as issued by the Social Security Administration, Department of Health and Human Services or the Railroad Retirement Board. Disability benefits shall become effective on the date of entitlement as established by the Social Security Administration or the Railroad Retirement Board, but not before the first day of the month following removal from the payroll, whichever is later, and final approval by the Retirement System. Benefits shall be based upon length of service and compensation as of the date of disability, without actuarial reduction because of commencement prior to the normal retirement date. The only optional form of benefit payment available for disability benefits is Option A as provided for in Section 918 of this title. Option A must be elected in accordance with the provisions of Section 918 of this title. Benefit payments shall cease upon the member's recovery from disability prior to the normal retirement date. Future benefits, if any, shall be paid based upon length of service and compensation as of the date of disability. In the event that disability ceases and the member returns to employment within the System credited service to the date of disability shall be restored, and future benefits shall be determined accordingly.

C. Any actively participating member of the System on or after July 1, 1998, except for those employees provided in subparagraph (e) of paragraph (14) of Section 902 of this title, whose employment

is less than full-time, shall have his or her final average compensation calculated on an annualized basis using his or her hourly wage subject to the maximum compensation limits; provided, however, any such member who has at least three (3) years of full-time employment during the last ten (10) years immediately preceding termination or retirement shall not be eligible for the annualization provisions contained herein. The Board of Trustees shall promulgate such administrative rules as are necessary to implement the provisions of this subsection.

SECTION 2. This act shall become effective July 1, 2000.

SECTION 3. 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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