

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

SENATE BILL 1152

By: Easley

AS INTRODUCED

An Act relating to retirement; amending Section 12, Chapter 419, O.S.L. 1998, as amended by Section 1, Chapter 282, O.S.L. 1999 (74 O.S. Supp. 1999, Section 910.5), which relates to the Oklahoma Public Employees Retirement System; deleting references to refund of certain excess contributions; providing actuarial assumed earnings on certain excess retirement contributions; deleting references to certain Internal Revenue Code sections; providing actuarial assumed earnings be given to certain vested members; providing how payment of actuarial assumed earnings shall be made; providing for payment of actuarial assumed earnings upon death of member; repealing Section 12, Chapter 419, O.S.L. 1998, as amended by Section 1, Chapter 279, O.S.L. 1999 (74 O.S. Supp. 1999, Section 910.5), which is a duplicate section and which relates to transfer of excess contributions; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 12, Chapter 419, O.S.L. 1998, as amended by Section 1, Chapter 282, O.S.L. 1999 (74 O.S. Supp. 1999, 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 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, with an amount which represents the actuarial assumed earnings

of the System of seven and one-half percent (7.5%) compounded annually until the date of transfer. 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 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, and an amount which represents the actuarial assumed earnings of the System of seven and one-half percent (7.5%) compounded annually until the date

of retirement. 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, and a prorated monthly distribution of the actuarial assumed earnings over the life of the limited retirement benefit payments, 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 and actuarial assumed earnings, 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 12, Chapter 419, O.S.L. 1998, as amended by Section 1, Chapter 279, O.S.L. 1999 (74 O.S. Supp. 1999, Section 910.5), is hereby repealed.

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.