

3 Senate Bill No. 711  
4 As Amended

5 SENATE BILL NO. 711 - By: CORN of the Senate and ROAN, BRANNON and  
6 SMITHSON of the House.

7 [ retirement - Oklahoma Public Employees Retirement System -  
8 formula for certain public safety employees - effective  
9 date ]

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

11 SECTION 1. AMENDATORY 74 O.S. 2001, Section 902, as last  
12 amended by Section 2, Chapter 539, O.S.L. 2004 (74 O.S. Supp. 2004,  
13 Section 902), is amended to read as follows:

14 Section 902. As used in Section 901 et seq. of this title:

15 (1) "System" means the Oklahoma Public Employees Retirement  
16 System as established by this act and as it may hereafter be  
17 amended;

18 (2) "Accumulated contributions" means the sum of all  
19 contributions by a member to the System which shall be credited to  
20 the member's account;

21 (3) "Act" means Sections 901 to 932, inclusive, of this title;

22 (4) "Actuarial equivalent" means a deferred income benefit of  
23 equal value to the accumulated deposits or benefits when computed  
24 upon the basis of the actuarial tables in use by the System;

1 (5) "Actuarial tables" means the actuarial tables approved and  
2 in use by the Board at any given time;

3 (6) "Actuary" means the actuary or firm of actuaries employed  
4 by the Board at any given time;

5 (7) "Beneficiary" means any person named by a member to receive  
6 any benefits as provided for by Section 901 et seq. of this title.  
7 If there is no beneficiary living at time of member employee's  
8 death, the member's estate shall be the beneficiary;

9 (8) "Board" means the Oklahoma Public Employees Retirement  
10 System Board of Trustees;

11 (9) "Compensation" means all salary and wages, as defined by  
12 the Board of Trustees, including amounts deferred under deferred  
13 compensation agreements entered into between a member and a  
14 participating employer, but exclusive of payment for overtime,  
15 payable to a member of the System for personal services performed  
16 for a participating employer but shall not include compensation or  
17 reimbursement for traveling, or moving expenses, or any compensation  
18 in excess of the maximum compensation level, provided:

19 (a) For compensation for service prior to January 1, 1988,  
20 the maximum compensation level shall be Twenty-five  
21 Thousand Dollars (\$25,000.00) per annum.

22 For compensation for service on or after January 1, 1988,  
23 through June 30, 1994, the maximum compensation level

1 shall be Forty Thousand Dollars (\$40,000.00) per  
2 annum.

3 For compensation for service on or after July 1, 1994,  
4 through June 30, 1995, the maximum compensation level  
5 shall be Fifty Thousand Dollars (\$50,000.00) per  
6 annum; for compensation for service on or after July  
7 1, 1995, through June 30, 1996, the maximum  
8 compensation level shall be Sixty Thousand Dollars  
9 (\$60,000.00) per annum; for compensation for service  
10 on or after July 1, 1996, through June 30, 1997, the  
11 maximum compensation level shall be Seventy Thousand  
12 Dollars (\$70,000.00) per annum; and for compensation  
13 for service on or after July 1, 1997, through June 30,  
14 1998, the maximum compensation level shall be Eighty  
15 Thousand Dollars (\$80,000.00) per annum. For  
16 compensation for services on or after July 1, 1998,  
17 there shall be no maximum compensation level for  
18 retirement purposes.

19 (b) Compensation for retirement purposes shall include any  
20 amount of elective salary reduction under Section 457  
21 of the Internal Revenue Code of 1986 and any amount of  
22 non-elective salary reduction under Section 414(h) of  
23 the Internal Revenue Code of 1986.

1 (c) Notwithstanding any provision to the contrary, the  
2 compensation taken into account for any employee in  
3 determining the contribution or benefit accruals for  
4 any plan year is limited to the annual compensation  
5 limit under Section 401(a)(17) of the federal Internal  
6 Revenue Code.

7 (d) Current appointed members of the Oklahoma Tax  
8 Commission whose salary is constitutionally limited  
9 and is less than the highest salary allowed by law for  
10 his or her position shall be allowed, within ninety  
11 (90) days from the effective date of this act, to make  
12 an election to use the highest salary allowed by law  
13 for the position to which the member was appointed for  
14 the purposes of making contributions and determination  
15 of retirement benefits. Such election shall be  
16 irrevocable and be in writing. Re-appointment to the  
17 same office shall not permit a new election. Members  
18 appointed to the Oklahoma Tax Commission after the  
19 effective date of this act shall make such election,  
20 pursuant to this subparagraph, within ninety (90) days  
21 of taking office;

22 (10) "Credited service" means the sum of participating service,  
23 prior service and elected service;

1           (11) "Dependent" means a parent, child, or spouse of a member  
2 who is dependent upon the member for at least one-half (1/2) of the  
3 member's support;

4           (12) "Effective date" means the date upon which the System  
5 becomes effective by operation of law;

6           (13) "Eligible employer" means the state and any county, county  
7 hospital, city or town, conservation districts, and any public or  
8 private trust in which a county, city or town participates and is  
9 the primary beneficiary is to be an eligible employer for the  
10 purpose of this act only, whose employees are covered by Social  
11 Security and are not covered by or eligible for another retirement  
12 plan authorized under the laws of this state which is in operation  
13 on the initial entry date. Emergency medical service districts may  
14 join the System upon proper application to the Board. Provided  
15 affiliation by a county hospital shall be in the form of a  
16 resolution adopted by the board of control.

17           (a) If a class or several classes of employees of any  
18               above-defined employers are covered by Social Security  
19               and are not covered by or eligible for and will not  
20               become eligible for another retirement plan authorized  
21               under the laws of this state, which is in operation on  
22               the effective date, such employer shall be deemed an  
23               eligible employer, but only with respect to that class

1 or those classes of employees as defined in this  
2 section.

3 (b) A class or several classes of employees who are  
4 covered by Social Security and are not covered by or  
5 eligible for and will not become eligible for another  
6 retirement plan authorized under the laws of this  
7 state, which is in operation on the effective date,  
8 and when the qualifications for employment in such  
9 class or classes are set by state law; and when such  
10 class or classes of employees are employed by a county  
11 or municipal government pursuant to such  
12 qualifications; and when the services provided by such  
13 employees are of such nature that they qualify for  
14 matching by or contributions from state or federal  
15 funds administered by an agency of state government  
16 which qualifies as a participating employer, then the  
17 agency of state government administering the state or  
18 federal funds shall be deemed an eligible employer,  
19 but only with respect to that class or those classes  
20 of employees as defined in this subsection; provided,  
21 that the required contributions to the retirement plan  
22 may be withheld from the contributions of state or  
23 federal funds administered by the state agency and

1 transmitted to the System on the same basis as the  
2 employee and employer contributions are transmitted  
3 for the direct employees of the state agency. The  
4 retirement or eligibility for retirement under the  
5 provisions of law providing pensions for service as a  
6 volunteer ~~fire fighter~~ firefighter shall not render  
7 any person ineligible for participation in the  
8 benefits provided for in Section 901 et seq. of this  
9 title. An employee of any public or private trust in  
10 which a county, city or town participates and is the  
11 primary beneficiary shall be deemed to be an eligible  
12 employee for the purpose of this act only.

13 (c) All employees of the George Nigh Rehabilitation  
14 Institute who elected to retain membership in the  
15 System, pursuant to Section 913.7 of this title, shall  
16 continue to be eligible employees for the purposes of  
17 this act. The George Nigh Rehabilitation Institute  
18 shall be considered a participating employer only for  
19 such employees.

20 (d) A participating employer of the Teachers' Retirement  
21 System of Oklahoma, who has one or more employees who  
22 have made an election pursuant to enabling legislation  
23 to retain membership in the System as a result of

1 change in administration, shall be considered a  
2 participating employer of the Oklahoma Public  
3 Employees Retirement System only for such employees;

4 (14) "Employee" means any officer or employee of a  
5 participating employer, whose employment is not seasonal or  
6 temporary and whose employment requires at least one thousand  
7 (1,000) hours of work per year and whose salary or wage is equal to  
8 the hourly rate of the monthly minimum wage for state employees.  
9 For those eligible employers outlined in Section 910 of this title,  
10 the rate shall be equal to the hourly rate of the monthly minimum  
11 wage for that employer. Each employer, whose minimum wage is less  
12 than the state's minimum wage, shall inform the System of the  
13 minimum wage for that employer. This notification shall be by  
14 resolution of the governing body.

15 (a) Any employee of the county extension agents who is not  
16 currently participating in the Teachers' Retirement  
17 System of Oklahoma shall be a member of this System.

18 (b) Eligibility shall not include any employee who is a  
19 contributing member of the United States Civil Service  
20 Retirement System.

21 (c) It shall be mandatory for an officer, appointee or  
22 employee of the office of district attorney to become  
23 a member of this System if he or she is not currently

1 participating in a county retirement system. Provided  
2 further, that if an officer, appointee or employee of  
3 the office of district attorney is currently  
4 participating in such county retirement system, he or  
5 she is ineligible for this System as long as he or she  
6 is eligible for such county retirement system. Any  
7 eligible officer, appointee or employee of the office  
8 of district attorney shall be given credit for prior  
9 service as defined in this section. The provisions  
10 outlined in Section 917 of this title shall apply to  
11 those employees who have previously withdrawn their  
12 contributions.

13 (d) Eligibility shall also not include any officer or  
14 employee of the Oklahoma Employment Security  
15 Commission, except for those officers and employees of  
16 the Commission electing to transfer to this System  
17 pursuant to the provisions of Section 910.1 of this  
18 title or any other class of officers or employees  
19 specifically exempted by the laws of this state,  
20 unless there be a consolidation as provided by Section  
21 912 of this title. Employees of the Oklahoma  
22 Employment Security Commission who are ineligible for  
23 enrollment in the Employment Security Commission

1 Retirement Plan, that was in effect on January 1,  
2 1964, shall become members of this System.

3 (e) Any employee employed by the Legislative Service  
4 Bureau, State Senate or House of Representatives for  
5 the full duration of a regular legislative session  
6 shall be eligible for membership in the System  
7 regardless of classification as a temporary employee  
8 and may participate in the System during the regular  
9 legislative session at the option of the employee.  
10 For purposes of this subparagraph, the determination  
11 of whether an employee is employed for the full  
12 duration of a regular legislative session shall be  
13 made by the Legislative Service Bureau if such  
14 employee is employed by the Legislative Service  
15 Bureau, the State Senate if such employee is employed  
16 by the State Senate, or by the House of  
17 Representatives if such employee is employed by the  
18 House of Representatives. Each regular legislative  
19 session during which the legislative employee or an  
20 employee of the Legislative Service Bureau  
21 participates full time shall be counted as six (6)  
22 months of full-time participating service.

- 1 (i) Except as otherwise provided by this  
2 subparagraph, once a temporary session employee  
3 makes a choice to participate or not, the choice  
4 shall be binding for all future legislative  
5 sessions during which the employee is employed.
- 6 (ii) Notwithstanding the provisions of division (i) of  
7 this subparagraph, any employee, who is eligible  
8 for membership in the System because of the  
9 provisions of this subparagraph and who was  
10 employed by the State Senate or House of  
11 Representatives after January 1, 1989, may file  
12 an election, in a manner specified by the Board,  
13 to participate as a member of the System prior to  
14 September 1, 1989.
- 15 (iii) Notwithstanding the provisions of division (i) of  
16 this subparagraph, a temporary legislative  
17 session employee who elected to become a member  
18 of the System may withdraw from the System  
19 effective the day said employee elected to  
20 participate in the System upon written request to  
21 the Board. Any such request must be received by  
22 the Board prior to October 1, 1990. All employee  
23 contributions made by the temporary legislative

1 session employee shall be returned to the  
2 employee without interest within four (4) months  
3 of receipt of the written request.

4 (iv) A member of the System who did not initially  
5 elect to participate as a member of the System  
6 pursuant to subparagraph (e) of this paragraph  
7 shall be able to acquire service performed as a  
8 temporary legislative session employee for  
9 periods of service performed prior to the date  
10 upon which the person became a member of the  
11 System if:

12 a. the member files an election with the System  
13 not later than December 31, 2000, to  
14 purchase the prior service; and

15 b. the member makes payment to the System of  
16 the actuarial cost of the service credit  
17 pursuant to subsection A of Section 913.5 of  
18 this title. The provisions of Section 913.5  
19 of this title shall be applicable to the  
20 purchase of the service credit, including  
21 the provisions for determining service  
22 credit in the event of incomplete payment  
23 due to cessation of payments, death,

1                    termination of employment or retirement, but  
2                    the payment may extend for a period not to  
3                    exceed ninety-six (96) months;

4            (15) "Entry date" means the date on which an eligible employer  
5 joins the System. The first entry date pursuant to Section 901 et  
6 seq. of this title shall be January 1, 1964;

7            (16) "Executive Director" means the managing officer of the  
8 System employed by the Board under Section 901 et seq. of this  
9 title;

10           (17) "Federal Internal Revenue Code" means the federal Internal  
11 Revenue Code of 1954 or 1986, as amended and as applicable to a  
12 governmental plan as in effect on July 1, 1999;

13           (18) "Final average compensation" means the average annual  
14 compensation, including amounts deferred under deferred compensation  
15 agreements entered into between a member and a participating  
16 employer, up to, but not exceeding the maximum compensation levels  
17 as provided in paragraph (9) of this section received during the  
18 highest three (3) of the last ten (10) years of participating  
19 service immediately preceding retirement or termination of  
20 employment. Provided, no member shall retire with a final average  
21 compensation unless the member has made the required contributions  
22 on such compensation, as defined by the Board of Trustees;

1       (19) "Fiscal year" means the period commencing July 1 of any  
2 year and ending June 30 of the next year. The fiscal year is the  
3 plan year for purposes of the federal Internal Revenue Code;  
4 however, the calendar year is the limitation year for purposes of  
5 Section 415 of the federal Internal Revenue Code;

6       (20) "Fund" means the Oklahoma Public Employees Retirement Fund  
7 as created by Section 901 et seq. of this title;

8       (21) "Leave of absence" means a period of absence from  
9 employment without pay, authorized and approved by the employer and  
10 acknowledged to the Board, and which after the effective date does  
11 not exceed two (2) years;

12       (22) "Member" means an eligible employee or elected official  
13 who is in the System and is making the required employee or elected  
14 official contributions, or any former employee or elected official  
15 who shall have made the required contributions to the System and  
16 shall have not received a refund or withdrawal;

17       (23) "Military service" means service in the Armed Forces of  
18 the United States by an honorably discharged person during the  
19 following time periods, as reflected on such person's Defense  
20 Department Form 214, not to exceed five (5) years for combined  
21 participating and/or prior service, as follows:

- 1 (a) during the following periods, including the beginning  
2 and ending dates, and only for the periods served,  
3 from:
- 4 (i) April 6, 1917, to November 11, 1918, commonly  
5 referred to as World War I,
  - 6 (ii) September 16, 1940, to December 7, 1941, as a  
7 member of the 45th Division,
  - 8 (iii) December 7, 1941, to December 31, 1946, commonly  
9 referred to as World War II,
  - 10 (iv) June 27, 1950, to January 31, 1955, commonly  
11 referred to as the Korean Conflict or the Korean  
12 War,
  - 13 (v) February 28, 1961, to May 7, 1975, commonly  
14 referred to as the Vietnam era, except that:
    - 15 a. for the period from February 28, 1961, to  
16 August 4, 1964, military service shall only  
17 include service in the Republic of Vietnam  
18 during that period, and
    - 19 b. for purposes of determining eligibility for  
20 education and training benefits, such period  
21 shall end on December 31, 1976, or
  - 22 (vi) August 1, 1990, to December 31, 1991, commonly  
23 referred to as the Gulf War, the Persian Gulf

1 War, or Operation Desert Storm, but excluding any  
2 person who served on active duty for training  
3 only, unless discharged from such active duty for  
4 a service-connected disability;

5 (b) during a period of war or combat military operation  
6 other than a conflict, war or era listed in  
7 subparagraph (a) of this paragraph, beginning on the  
8 date of Congressional authorization, Congressional  
9 resolution, or Executive Order of the President of the  
10 United States, for the use of the Armed Forces of the  
11 United States in a war or combat military operation,  
12 if such war or combat military operation lasted for a  
13 period of ninety (90) days or more, for a person who  
14 served, and only for the period served, in the area of  
15 responsibility of the war or combat military  
16 operation, but excluding a person who served on active  
17 duty for training only, unless discharged from such  
18 active duty for a service-connected disability, and  
19 provided that the burden of proof of military service  
20 during this period shall be with the member, who must  
21 present appropriate documentation establishing such  
22 service.

1 An eligible member under this paragraph shall include only those  
2 persons who shall have served during the times or in the areas  
3 prescribed in this paragraph, and only if such person provides  
4 appropriate documentation in such time and manner as required by the  
5 System to establish such military service prescribed in this  
6 paragraph, or for service pursuant to subdivision a of division (v)  
7 of subparagraph (a) of this paragraph those persons who were awarded  
8 service medals, as authorized by the United States Department of  
9 Defense as reflected in the veteran's Defense Department Form 214,  
10 related to the Vietnam Conflict for service prior to August 5, 1964;

11 (24) "Normal retirement date" means the date on which a member  
12 may retire with full retirement benefits as provided in Section 901  
13 et seq. of this title, such date being whichever occurs first:

- 14 (a) the first day of the month coinciding with or  
15 following a member's sixty-second birthday,
- 16 (b) for any person who initially became a member prior to  
17 July 1, 1992, the first day of the month coinciding  
18 with or following the date at which the sum of a  
19 member's age and number of years of credited service  
20 total eighty (80); such a normal retirement date will  
21 also apply to any person who became a member of the  
22 sending system as defined in Section 901 et seq. of  
23 this title, prior to July 1, 1992, regardless of

1                   whether there were breaks in service after July 1,  
2                   1992,  
3           (c)   for any person who became a member after June 30,  
4                   1992, the first day of the month coinciding with or  
5                   following the date at which the sum of a member's age  
6                   and number of years of credited service total ninety  
7                   (90),  
8           (d)   in addition to subparagraphs (a), (b) and (c) of this  
9                   paragraph, except for those members who either elect  
10                   to participate or are required to participate as a  
11                   public safety employee pursuant to this act, the first  
12                   day of the month coinciding with or following a  
13                   member's completion of at least twenty (20) years of  
14                   full-time-equivalent employment as:  
15                   (i)   a correctional or probation and parole officer  
16                               with the Department of Corrections and at the  
17                               time of retirement, the member was a correctional  
18                               or probation and parole officer with the  
19                               Department of Corrections, or  
20                   (ii)  a correctional officer, probation and parole  
21                               officer or fugitive apprehension agent with the  
22                               Department of Corrections who is in such position  
23                               on June 30, 2004, or who is hired after June 30,

1 2004, and who receives a promotion or change in  
2 job classification after June 30, 2004, to  
3 another position in the Department of  
4 Corrections, so long as such officer or agent has  
5 at least five (5) years of service as a  
6 correctional officer, probation and parole  
7 officer or fugitive apprehension agent with the  
8 Department, has twenty (20) years of full-time-  
9 equivalent employment with the Department and was  
10 employed by the Department at the time of  
11 retirement, or

12 (iii) a firefighter with the Oklahoma Military  
13 Department either employed for the first time on  
14 or after July 1, 2002, or who was employed prior  
15 to July 1, 2002, in such position and who makes  
16 the election authorized by division (1) of  
17 subparagraph b of paragraph (5) of subsection A  
18 of Section 915 of this title and at the time of  
19 retirement, the member was a firefighter with the  
20 Oklahoma Military Department, and such member has  
21 at least twenty (20) years of credited service  
22 upon which the two and one-half percent (2 1/2%)

1 multiplier will be used in calculating the  
2 retirement benefit,

3 (e) for those fugitive apprehension agents who retire on  
4 or after July 1, 2002, the first day of the month  
5 coinciding with or following a member's completion of  
6 at least twenty (20) years of full-time-equivalent  
7 employment as a fugitive apprehension agent with the  
8 Department of Corrections and at the time of  
9 retirement, the member was a fugitive apprehension  
10 agent with the Department of Corrections, or

11 (f) for any member who was continuously employed by an  
12 entity or institution within The Oklahoma State System  
13 of Higher Education and whose initial employment with  
14 such entity or institution was prior to July 1, 1992,  
15 and who without a break in service of more than thirty  
16 (30) days became employed by an employer participating  
17 in the Oklahoma Public Employees Retirement System,  
18 the first day of the month coinciding with or  
19 following the date at which the sum of the member's  
20 age and number of years of credited service total  
21 eighty (80),

22 (g) (i) a public safety employee, as defined in this  
23 section, who is hired by a participating employer

1 after October 31, 2005, and such employee has at  
2 least twenty-five (25) years of credited service  
3 as a public safety employee,

4 (ii) a public safety employee, as defined in this  
5 section, hired prior to November 1, 2005, and who  
6 makes an election pursuant to subparagraph b of  
7 paragraph (9) of subsection A of Section 915 of  
8 this title and such employee has at least twenty-  
9 five (25) years of credited service as a public  
10 safety employee, or

11 (iii) a public safety employee, as defined in this  
12 section, who is age fifty-five (55) and has six  
13 (6) years of credited service as a public safety  
14 employee after October 31, 2005, or after the  
15 date an election is made pursuant to subparagraph  
16 (b) of paragraph (9) of subsection A of Section  
17 915 of this title;

18 (25) "Participating employer" means an eligible employer who  
19 has agreed to make contributions to the System on behalf of its  
20 employees;

21 (26) "Participating service" means the period of employment  
22 after the entry date for which credit is granted a member;

1 (27) "Prior service" means the period of employment of a member  
2 by an eligible employer prior to the member's entry date for which  
3 credit is granted a member under Section 901 et seq. of this title;

4 (28) "Retirant" means a member who has retired under the  
5 System;

6 (29) "Retirement benefit" means a monthly income with benefits  
7 accruing from the first day of the month coinciding with or  
8 following retirement and ending on the last day of the month in  
9 which death occurs or the actuarial equivalent thereof paid in such  
10 manner as specified by the member pursuant to Section 901 et seq. of  
11 this title or as otherwise allowed to be paid at the discretion of  
12 the Board;

13 (30) "Retirement coordinator" means the individual designated  
14 by each participating employer through whom System transactions and  
15 communication shall be directed;

16 (31) "Social Security" means the old-age survivors and  
17 disability section of the Federal Social Security Act;

18 (32) "Total disability" means a physical or mental disability  
19 accepted for disability benefits by the Federal Social Security  
20 System;

21 (33) "Service-connected disability benefits" means military  
22 service benefits which are for a service-connected disability rated

1 at twenty percent (20%) or more by the Veterans Administration or  
2 the Armed Forces of the United States;

3 (34) "Elected official" means a person elected to a state  
4 office in the legislative or executive branch of state government or  
5 a person elected to a county office for a definite number of years  
6 and shall include an individual who is appointed to fill the  
7 unexpired term of an elected state official;

8 (35) "Elected service" means the period of service as an  
9 elected official; ~~and~~

10 (36) "Limitation year" means the year used in applying the  
11 limitations of Section 415 of the Internal Revenue Code of 1986,  
12 which year shall be the calendar year; and

13 (37) "Public safety employee" means a member that is in one of  
14 the following positions and who is either hired on or after October  
15 31, 2005, or makes an election in subparagraph b of paragraph (9) of  
16 subsection A of Section 915 of this title:

17 1. Correctional Officer, Probation and Parole Officer and  
18 Fugitive Apprehension Agent of the Department of Corrections;

19 2. Law enforcement positions that require certification with  
20 the Council on Law Enforcement Education and Training (CLEET);

21 3. Firefighter or position that a substantial part of its duty  
22 requires fire fighting;

23 4. Emergency medical technician;

1        5. Jailer positions that require certification with the Council  
2 on Law Enforcement Education and Training (CLEET); and

3        6. Deputy sheriff.

4        However, a public safety employee shall not include someone who  
5 is otherwise eligible to participate in another Oklahoma state  
6 retirement system.

7        SECTION 2.        AMENDATORY        74 O.S. 2001, Section 915, as last  
8 amended by Section 24, Chapter 536, O.S.L. 2004 (74 O.S. Supp. 2004,  
9 Section 915), is amended to read as follows:

10        Section 915. A. (1) Except as otherwise provided in this  
11 subsection and as provided for elected officials in Section 913.4 of  
12 this title, any member who shall retire on or after the member's  
13 normal retirement date shall be entitled to receive an annual  
14 retirement benefit equal to two percent (2%) of the member's final  
15 average compensation as determined pursuant to paragraph (18) of  
16 Section 902 of this title, multiplied by the number of years of  
17 credited service that has been credited to the member in accordance  
18 with the provisions of Section 913 of this title other than years  
19 credited pursuant to paragraph (2) of this subsection.

20        (2) Effective January 1, 2004, except as otherwise provided for  
21 elected officials in Section 913.4 of this title and except for  
22 those members making contributions pursuant to paragraphs (c), (d)  
23 and (e) of subsection (1) of Section 919.1 of this title, any member

1 who shall retire shall be entitled to receive an annual retirement  
2 benefit equal to two and one-half percent (2 1/2%) of the member's  
3 final average compensation as determined pursuant to paragraph (18)  
4 of Section 902 of this title, multiplied by the number of full years  
5 of participating service after January 1, 2004, that have been  
6 credited to the member in accordance with the provisions of Section  
7 913 of this title and only for those full years of participating  
8 service for which contributions have been made pursuant to paragraph  
9 (f) of subsection (1) of Section 919.1 of this title. The two and  
10 one-half percent (2 1/2%) multiplier shall not apply to purchased  
11 service, purchased or granted military service or transferred  
12 service. In order to receive the two and one-half percent (2 1/2%)  
13 multiplier in computing retirement benefits, an active member shall  
14 make an irrevocable written election to pay the contributions  
15 pursuant to paragraph (f) of subsection (1) of Section 919.1 of this  
16 title. However, a member who is eligible to make an election in  
17 subparagraph b of paragraph (9) of this subsection shall not be  
18 prohibited from making such election. The two and one-half percent  
19 (2 1/2%) multiplier pursuant to this paragraph shall not apply to  
20 additional years of service credit attributed to sick leave pursuant  
21 to paragraph 7 of subsection B of Section 913 of this title and  
22 fractional years pursuant to subsection C of Section 913 of this

1 title and shall be attributable only to the participating service  
2 credited after the election of the member.

3 (3) The minimum final average compensation for any person who  
4 becomes a member of the System on or after July 1, 1995:

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

9 b. and who had at least fifteen (15) but not more than  
10 nineteen (19) years of credited service within the  
11 System as of the member's retirement date shall be no  
12 less than Six Thousand Nine Hundred Dollars  
13 (\$6,900.00) per annum,

14 c. and who had less than fifteen (15) years of credited  
15 service within the System as of the member's  
16 retirement date shall not be eligible for any minimum  
17 amount of final average compensation and the member's  
18 final average compensation shall be the final average  
19 compensation as defined by paragraph (18) of Section  
20 902 of this title,

21 (4) Provided, further, any member who has elected a vested  
22 benefit pursuant to Section 917 of this title shall be entitled to  
23 receive benefits as outlined in this section except the percent

1 factor and the member's maximum compensation level in effect the  
2 date the member's employment was terminated with a participating  
3 employer shall be applicable.

4 (5) Any member who is a correctional officer or a probation and  
5 parole officer employed by the Department of Corrections at the time  
6 of retirement and who retires on or before June 30, 2000, shall be  
7 entitled to receive an annual retirement benefit equal to two and  
8 one-half percent (2 1/2%) of the final average compensation of the  
9 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and  
10 two percent (2%) of the final average salary in excess of Twenty-  
11 five Thousand Dollars (\$25,000.00) but not exceeding the maximum  
12 compensation level as provided in paragraph (9) of Section 902 of  
13 this title, multiplied by the number of years of service as a  
14 correctional officer or a probation and parole officer, provided,  
15 any years accrued prior to July 1, 1990, as a correctional officer  
16 or a probation and parole officer by a member who is employed as a  
17 correctional officer or a probation and parole officer on July 1,  
18 1990, shall be calculated for retirement purposes at two and one-  
19 quarter percent (2 1/4%) of the final average compensation of the  
20 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and  
21 two percent (2%) of the final average salary in excess of Twenty-  
22 five Thousand Dollars (\$25,000.00) but not exceeding the maximum  
23 compensation level as provided in paragraph (9) of Section 902 of

1 this title, multiplied by the number of years of such service and  
2 any years in excess of twenty (20) years as such an officer or years  
3 credited to the member in accordance with the provisions of Section  
4 913 of this title shall be calculated for retirement purposes at two  
5 percent (2%) of the final average compensation of the member  
6 multiplied by the number of years of such service. Any person who  
7 contributes to the System as a correctional officer or a probation  
8 and parole officer as provided in paragraph (c) of subsection (1) of  
9 Section 919.1 of this title, on or before June 30, 2000, but who  
10 does not make such contributions after June 30, 2000, and who does  
11 not qualify for normal retirement under subparagraph (c) of  
12 paragraph (24) of Section 902 of this title shall have retirement  
13 benefits for each year of full-time-equivalent participating service  
14 as a correctional or a probation and parole officer after July 1,  
15 1990, computed on two and one-half percent (2 1/2%) of the final  
16 average compensation based upon those years as a correctional  
17 officer or a probation and parole officer. Provided, further, any  
18 fugitive apprehension agent shall be entitled to receive benefits as  
19 outlined in this act for service as a fugitive apprehension agent  
20 prior to July 1, 2002, only upon payment to the System of the  
21 employee contributions which would have been paid if such fugitive  
22 apprehension agent had been covered by this section prior to the  
23 effective date of this act, plus interest of not to exceed ten

1 percent (10%) as determined by the Board. The Department of  
2 Corrections may make the employee contribution and interest payment  
3 on behalf of such member.

4 (6) Any member who is a correctional officer, a probation and  
5 parole officer or a fugitive apprehension agent employed by the  
6 Department of Corrections at the time of retirement and who retires  
7 on or after July 1, 2002, shall be entitled to receive an annual  
8 retirement benefit equal to two and one-half percent (2 1/2%) of the  
9 final average compensation of the member, but not exceeding the  
10 maximum compensation level as provided in paragraph (18) of Section  
11 902 of this title, multiplied by the number of years of service as a  
12 correctional officer, a probation and parole officer or a fugitive  
13 apprehension agent, and any years in excess of twenty (20) years as  
14 such an officer or agent, or years credited to the member in  
15 accordance with the provisions of Section 913 of this title, shall  
16 be calculated for retirement purposes at two percent (2%) of the  
17 final average compensation of the member multiplied by the number of  
18 years of such service. For purposes of this paragraph, "final  
19 average compensation" shall be determined by computing the average  
20 annual salary, in the manner prescribed by paragraph (18) of Section  
21 902 of this title, for the highest three (3) years of the last ten  
22 (10) years of participating service immediately preceding retirement  
23 or termination of employment for all years of service performed by

1 such member, both for years of service performed as a correctional  
2 officer, probation and parole officer or fugitive apprehension  
3 agent, not in excess of twenty (20) years, and for years of service  
4 performed in excess of twenty (20) years, whether as a correctional  
5 officer, probation and parole officer, fugitive apprehension agent  
6 or other position unless the computation of benefits would result in  
7 a lower retirement benefit amount than if final average compensation  
8 were to be computed as otherwise provided by this paragraph. This  
9 paragraph shall not apply to public safety employees who either  
10 elect to participate or are required to participate as a public  
11 safety employee pursuant to this act.

12 (7) Any person who contributed to the System as a correctional  
13 officer, a probation and parole officer or a fugitive apprehension  
14 agent as provided in paragraphs (c) or (d) of subsection (1) of  
15 Section 919.1 of this title, and who retires under normal retirement  
16 or early retirement on or after January 1, 2004, under paragraph  
17 (24) of Section 902 of this title shall have retirement benefits for  
18 each year of full-time-equivalent participating service as a  
19 correctional officer, a probation and parole officer or a fugitive  
20 apprehension agent, computed on two and one-half percent (2 1/2%) of  
21 the final average compensation based upon those years as a  
22 correctional officer, a probation and parole officer or a fugitive  
23 apprehension agent. For purposes of this paragraph, "final average

1 compensation" shall be determined by computing the average annual  
2 salary, in the manner prescribed by paragraph (18) of Section 902 of  
3 this title, for the highest three (3) years of the last ten (10)  
4 years of participating service immediately preceding retirement or  
5 termination of employment for all years of service performed by such  
6 member, both for years of service performed as a correctional  
7 officer, probation and parole officer or fugitive apprehension  
8 agent, not in excess of twenty (20) years, and for years of service  
9 performed in excess of twenty (20) years, whether as a correctional  
10 officer, probation and parole officer, fugitive apprehension agent  
11 or other position unless the computation of benefits would result in  
12 a lower retirement benefit amount than if final average compensation  
13 were to be computed as otherwise provided by this paragraph. This  
14 paragraph shall not apply to public safety employees who either  
15 elect to participate or are required to participate as a public  
16 safety employee pursuant to this act.

17 (8) Any member who is:

18 a. initially on or after July 1, 2002, employed as a  
19 firefighter for the Oklahoma Military Department and  
20 who retires on or after the member's normal retirement  
21 date shall be entitled to receive an annual retirement  
22 benefit equal to two and one-half percent (2 1/2%) of  
23 the final average compensation of the member

1 multiplied by the number of years of service in such  
2 service,

3 b. (1) a firefighter who performs firefighting services  
4 for the Oklahoma Military Department prior to  
5 July 1, 2002, and who makes an election in  
6 writing on a form prescribed for this purpose by  
7 the System not later than December 31, 2002,  
8 shall be entitled to receive a retirement benefit  
9 based upon two and one-half percent (2 1/2%) of  
10 the final average compensation of the member  
11 multiplied by the number of years of service as a  
12 firefighter with the Oklahoma Military Department  
13 on or after July 1, 2002. The election  
14 authorized by this subdivision shall be  
15 irrevocable once the election is filed with the  
16 System,

17 (2) a firefighter who performs firefighting services  
18 for the Oklahoma Military Department prior to  
19 July 1, 2002, and who makes the election in  
20 division (1) of this subparagraph may also make  
21 an election in writing on a form prescribed for  
22 this purpose by the System not later than  
23 December 31, 2002, to receive a retirement

1 benefit based upon two and one-half percent (2  
2 1/2%) of the final average compensation of the  
3 member multiplied by the number of years of  
4 service as a firefighter with the Oklahoma  
5 Military Department prior to July 1, 2002. The  
6 election authorized by this subdivision shall be  
7 irrevocable once the election is filed with the  
8 System. Retirement benefits shall be calculated  
9 based upon the two and one-half percent (2 1/2%)  
10 multiplier upon payment being made pursuant to  
11 Section 913.5 of this title.

12 This paragraph shall not apply to public safety employees who  
13 either elect to participate or are required to participate as a  
14 public safety employee pursuant to this act.

15 (9) Any public safety employee as defined in paragraph (37) of  
16 Section 902 of this title who is:

17 a. hired after October 31, 2005, shall be entitled to  
18 receive an annual retirement benefit equal to two and  
19 one-half percent (2 1/2%) of the final average  
20 compensation of the member multiplied by the number of  
21 years of public safety service, not to exceed thirty  
22 (30) years,



1 authorized by this division shall be irrevocable  
2 once the election is filed with the System.  
3 Retirement benefits shall be calculated based  
4 upon the two and one-half percent (2 1/2%)  
5 multiplier upon payment being made pursuant to  
6 Section 913.5 of this title.

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

11 ~~(10)~~ (11) Such annual retirement benefits shall be paid in  
12 equal monthly installments, except that the Board may provide for  
13 the payment of retirement benefits which total less than Two Hundred  
14 Forty Dollars (\$240.00) a year on other than a monthly basis.

15 ~~(11)~~ (12) Pursuant to the rules established by the Board, a  
16 retiree receiving monthly benefits from the System may authorize  
17 warrant deductions for any products currently offered to active  
18 state employees through the Employees Benefits Council, provided  
19 that product is offered to state retirees as a group and has a  
20 minimum participation of five hundred state retirees. The System  
21 has no responsibility for the marketing, enrolling or administration  
22 of such products, but shall retain a processing fee of two percent  
23 (2%) of the gross deductions for the products. Retirement benefit

1 deductions shall be made for membership dues for any statewide  
2 association for which payroll deductions are authorized pursuant to  
3 subsection B of Section 7.10 of Title 62 of the Oklahoma Statutes  
4 for retired members of any state-supported retirement system, upon  
5 proper authorization given by the member to the board from which the  
6 member or beneficiary is currently receiving retirement benefits.

7 B. A member shall be considered disabled if such member  
8 qualifies for the payment of Social Security disability benefits, or  
9 the payment of benefits pursuant to the Railroad Retirement Act of  
10 1974, Section 231 et seq. of Title 45 of the United States Code, and  
11 shall be eligible for benefits hereunder upon proof of such  
12 disability, provided such member is an active regularly scheduled  
13 employee with a participating employer at the time of injury or  
14 inception of illness or disease resulting in subsequent  
15 certification of eligibility for Social Security disability benefits  
16 by reason of such injury, illness or disease, providing such  
17 disability is certified by the Social Security Administration within  
18 one (1) year after the last date physically on the job and after  
19 completion of at least eight (8) years of participating service or  
20 combined prior and participating service or resulting in subsequent  
21 certification of eligibility of disability by the Railroad  
22 Retirement Board providing such certification is made by the  
23 Railroad Retirement Board within one (1) year after the last date

1 physically on the job and after completion of at least eight (8)  
2 years of participating service or combined prior and participating  
3 service. The member shall submit to the Retirement System the  
4 Social Security Award Notice or the Railroad Retirement Award Notice  
5 certifying the date of entitlement for disability benefits, as  
6 issued by the Social Security Administration, Department of Health  
7 and Human Services or the Railroad Retirement Board. Disability  
8 benefits shall become effective on the date of entitlement as  
9 established by the Social Security Administration or the Railroad  
10 Retirement Board, but not before the first day of the month  
11 following removal from the payroll, whichever is later, and final  
12 approval by the Retirement System. Benefits shall be based upon  
13 length of service and compensation as of the date of disability,  
14 without actuarial reduction because of commencement prior to the  
15 normal retirement date. The only optional form of benefit payment  
16 available for disability benefits is Option A as provided for in  
17 Section 918 of this title. Option A must be elected in accordance  
18 with the provisions of Section 918 of this title. Benefit payments  
19 shall cease upon the member's recovery from disability prior to the  
20 normal retirement date. Future benefits, if any, shall be paid  
21 based upon length of service and compensation as of the date of  
22 disability. In the event that disability ceases and the member  
23 returns to employment within the System credited service to the date

1 of disability shall be restored, and future benefits shall be  
2 determined accordingly.

3 C. 1. For those members who were hired after October 31, 2005,  
4 in a public safety position or who made an election in subparagraph  
5 b of paragraph (9) of subsection A of this section, and have at  
6 least eight (8) years of credited service participating in the  
7 system as a public safety employee from the date they were hired  
8 after October 31, 2005, or from the date the election is made and  
9 who incur a total and permanent disability caused not in the line of  
10 duty after October 31, 2005, or on or after the date the election is  
11 made, whichever is later, shall be entitled to the following monthly  
12 disability benefit:

13 a. two and one-half percent (2 1/2%),

14 b. multiplied by the actual number of years of credited  
15 service as a public safety employee, not to exceed  
16 thirty (30) years,

17 c. multiplied by the member's final average compensation,  
18 and

19 d. divided by 12;

20 2. For those members who were hired after October 31, 2005, in  
21 a public safety position or who made an election in subparagraph b  
22 of paragraph (9) of subsection A of this section, and who incur a  
23 total and permanent disability caused in the line of duty after

1 October 31, 2005, or on or after the date the election is made,  
2 whichever is later, shall be entitled to the following monthly  
3 disability benefit:

4 a. two and one-half percent (2 1/2%),

5 b. multiplied by twenty (20) years of service, regardless  
6 of the actual number of years of credited service  
7 performed by the member prior to death, if the member  
8 had performed less than twenty (20) years of credited  
9 service, or the actual number of years of credited  
10 service of the member if greater than twenty (20)  
11 years, not to exceed thirty (30) years,

12 c. multiplied by the member's final average compensation,  
13 and

14 d. divided by 12.

15 D. A member who incurred a disability pursuant to subsection B  
16 of this section on or after July 1, 1999, and who has retired from  
17 the System with an early retirement benefit pending certification  
18 from the Social Security Administration or the Railroad Retirement  
19 Board shall receive a retirement benefit not less than the  
20 disability retirement benefit provided by subsection B of this  
21 section once the System receives a Social Security Award Notice or a  
22 Railroad Retirement Award Notice pursuant to subsection B of this  
23 section and a completed Application for Disability Benefits. In

1 addition, such member shall receive the difference, if any, between  
2 the early retirement benefit and the disability benefit from the  
3 date the Social Security Administration or the Railroad Retirement  
4 Board establishes disability entitlement.

5 ~~D.~~ E. Any actively participating member of the System on or  
6 after July 1, 1998, except for those employees provided in  
7 subparagraph (e) of paragraph (14) of Section 902 of this title,  
8 whose employment is less than full-time, shall have his or her final  
9 average compensation calculated on an annualized basis using his or  
10 her hourly wage subject to the maximum compensation limits;  
11 provided, however, any such member who has at least three (3) years  
12 of full-time employment during the last ten (10) years immediately  
13 preceding termination or retirement shall not be eligible for the  
14 annualization provisions contained herein. The Board of Trustees  
15 shall promulgate such administrative rules as are necessary to  
16 implement the provisions of this subsection.

17 SECTION 3. AMENDATORY 74 O.S. 2001, Section 916.3, as  
18 amended by Section 4, Chapter 539, O.S.L. 2004 (74 O.S. Supp. 2004,  
19 Section 916.3), is amended to read as follows:

20 Section 916.3 A. Notwithstanding the provisions of Sections  
21 901 through 932 of this title, a monthly pension, as provided in  
22 subsection B of this section, shall be paid on behalf of any member  
23 who is a correctional officer or probation and parole officer of the

1 Department of Corrections and who is killed or mortally wounded on  
2 or after January 1, 2000, during the performance of the member's  
3 duties for the Department, ~~or~~ any employee of the Department of  
4 Corrections who is killed or mortally wounded after June 30, 2004,  
5 during the performance of the member's duties for the Department, or  
6 an eligible public safety employee who is hired after October 31,  
7 2005, or who makes an election in subparagraph b of paragraph (9) of  
8 subsection A of Section 915 of this title and who is killed or  
9 mortally wounded after October 31, 2005, during the performance of  
10 the member's duties.

11 B. The monthly benefit shall be equal to:

12 1. Two and one-half percent (2 1/2%);

13 2. Multiplied by twenty (20) years of service, regardless of  
14 the actual number of years of credited service performed by the  
15 member prior to death, if the member had performed less than twenty  
16 (20) years of credited service, or the actual number of years of  
17 credited service of the member if greater than twenty (20) years;

18 3. Multiplied by the member's final average compensation; and

19 4. Divided by 12.

20 C. The pension provided for in subsection A of this section  
21 shall be paid:

22 1. Except as provided in subsection D of this section, to the  
23 surviving spouse for life; or

1           2. If there is no surviving spouse or upon the death of the  
2 surviving spouse:

3           a. to the surviving child or children of said member or  
4 legal guardian of such child or children for such time  
5 as such child or children are under the age of  
6 eighteen (18) years, or

7           b. to the surviving child or children between the age of  
8 eighteen (18) and twenty-two (22) years if the child  
9 is enrolled full time in and is regularly attending a  
10 public or private school or any institution of higher  
11 education.

12           D. No surviving spouse shall receive benefits from this  
13 section, Section 49-113 of Title 11 of the Oklahoma Statutes,  
14 Section 50-117 of Title 11 of the Oklahoma Statutes, or Section 2-  
15 306 of Title 47 of the Oklahoma Statutes as the surviving spouse of  
16 more than one member of the Oklahoma Firefighters Pension and  
17 Retirement System, the Oklahoma Police Pension and Retirement  
18 System, the Oklahoma Law Enforcement Retirement System, or the  
19 Oklahoma Public Employees Retirement System. The surviving spouse  
20 of more than one member shall elect which member's benefits he or  
21 she will receive.

22           E. In addition to the pension above provided for, if said  
23 member leaves one or more children under the age of eighteen (18)

1 years or under the age of twenty-two (22) years if the child is  
2 enrolled full-time in and is regularly attending a public or private  
3 school or any institution of higher education, Four Hundred Dollars  
4 (\$400.00) a month shall be paid to the surviving spouse or to the  
5 person having the care and custody of such children if there is no  
6 surviving spouse or if the surviving spouse dies and until each  
7 child reaches the age of eighteen (18) years or reaches the age of  
8 twenty-two (22) years if the child is enrolled full-time in and is  
9 regularly attending a public or private school or any institution of  
10 higher education.

11 F. The pension benefit provided in this section shall be made  
12 prospectively only from ~~the effective date of this act~~ July 1, 2000.  
13 The benefits shall be payable beginning the later of the first day  
14 of the month following the date that such employee was killed or  
15 dies from a mortal wound, as provided in this section, or ~~the~~  
16 ~~effective date of this act~~ July 1, 2000.

17 G. The Board of the Oklahoma Public Employees Retirement System  
18 shall promulgate such rules as are necessary to implement the  
19 provisions of this section.

20 SECTION 4. AMENDATORY 74 O.S. 2001, Section 919.1, as  
21 last amended by Section 5, Chapter 539, O.S.L. 2004 (74 O.S. Supp.  
22 2004, Section 919.1), is amended to read as follows:

1 Section 919.1 (1) Employee contributions to the System shall  
2 be:

3 (a) for employees except as otherwise provided in  
4 paragraphs (b), (c), (d), (e) ~~and (f)~~, and (g) of this  
5 subsection: beginning July 1, 1998, and thereafter,  
6 three percent (3%) of allowable annual compensation  
7 not in excess of Twenty-five Thousand Dollars  
8 (\$25,000.00);

9 (b) for all employees except as otherwise provided in  
10 paragraphs (a), (c), (d), (e) ~~and (f)~~, and (g) of this  
11 subsection: beginning July 1, 1998, and thereafter,  
12 three and one-half percent (3 1/2%) of allowable  
13 annual compensation of more than Twenty-five Thousand  
14 Dollars (\$25,000.00);

15 (c) for correctional officers and probation and parole  
16 officers employed by the Department of Corrections:  
17 beginning July 1, 1998, and thereafter, and for  
18 correctional officers or probation and parole officers  
19 who are in such position on June 30, 2004, or who are  
20 hired after June 30, 2004, and who receive a promotion  
21 or change in job classification after June 30, 2004,  
22 to another position in the Department of Corrections,  
23 so long as such officers have at least five (5) years

1 of service as a correctional officer or probation and  
2 parole officer, eight percent (8%) of allowable  
3 compensation as provided in paragraph (9) of Section  
4 902 of this title. This paragraph shall not apply to  
5 public safety employees who either elect to  
6 participate or are required to participate as a public  
7 safety employee pursuant to this act;

8 (d) for fugitive apprehension agents who are employed with  
9 the Department of Corrections on or after July 1,  
10 2002, and for fugitive apprehension agents who are in  
11 such position on June 30, 2004, or who are hired after  
12 June 30, 2004, and who receive a promotion or change  
13 in job classification after June 30, 2004, to another  
14 position in the Department of Corrections, so long as  
15 such agents have at least five (5) years of service as  
16 a fugitive apprehension agent, eight percent (8%) of  
17 allowable compensation as provided in paragraph (9) of  
18 Section 902 of this title. This paragraph shall not  
19 apply to public safety employees who either elect to  
20 participate or are required to participate as a public  
21 safety employee pursuant to this act;

22 (e) for firefighters of the Oklahoma Military Department  
23 first employed beginning July 1, 2002, and thereafter,

1 and such firefighters who performed service prior to  
2 July 1, 2002, for the Oklahoma Military Department and  
3 who make the election authorized by division (1) of  
4 subparagraph b of paragraph (9) of subsection A of  
5 Section 915 of this title who perform service on or  
6 after July 1, 2002, in such capacity, eight percent  
7 (8%) of allowable compensation as provided in  
8 subsection (9) of Section 902 of this title. This  
9 paragraph shall not apply to public safety employees  
10 who either elect to participate or are required to  
11 participate as a public safety employee pursuant to  
12 this act;

13 (f) for all employees except those who make contributions  
14 pursuant to (c), (d) ~~and (e)~~, and (g) of this  
15 subsection who make an irrevocable written election  
16 pursuant to paragraph (2) of subsection A of Section  
17 915 of this title: five and ninety-one one-hundredths  
18 percent (5.91%) of allowable annual compensation not  
19 in excess of Twenty-five Thousand Dollars (\$25,000.00)  
20 and six and forty-one one-hundredths percent (6.41%)  
21 of allowable annual compensation of more than Twenty-  
22 five Thousand Dollars (\$25,000.00);

1           (g) for all public safety employees hired after October  
2           31, 2005, and for those who make an irrevocable  
3           election pursuant to subparagraph b of paragraph (9)  
4           of subsection A of Section 915 of this title: eleven  
5           and six-tenths percent (11.6%) of allowable annual  
6           compensation not in excess of Twenty-five Thousand  
7           Dollars (\$25,000.00) and twelve and one-tenth percent  
8           (12.1%) of allowable compensation of more than Twenty-  
9           five Thousand Dollars (\$25,000.00), while such member  
10           is a public safety employee, as defined in paragraph  
11           (37) of Section 902 of this title.

12           The contributions required by paragraphs (c) and (d) of this  
13 subsection shall be made by a member for not more than twenty (20)  
14 years and thereafter shall be as provided in paragraphs (a) and (b)  
15 of this subsection.

16           (2) Contributions shall be deducted by each state agency by the  
17 participating employer for such benefits as the Board is authorized  
18 to administer as provided for by law. Employee and employer  
19 contributions shall be remitted monthly, or as the Board may  
20 otherwise provide, to the Executive Director for deposit in the  
21 Oklahoma Public Employees Retirement Fund.

22           (3) Each participating employer shall pick up under the  
23 provisions of Section 414(h) (2) of the Internal Revenue Code of 1986

1 and pay the contribution which the member is required by law to make  
2 to the System for all compensation earned after December 31, 1988.  
3 Although the contributions so picked up are designated as member  
4 contributions, such contributions shall be treated as contributions  
5 being paid by the participating employer in lieu of contributions by  
6 the member in determining tax treatment under the Internal Revenue  
7 Code of 1986 and such picked up contributions shall not be  
8 includable in the gross income of the member until such amounts are  
9 distributed or made available to the member or the beneficiary of  
10 the member. The member, by the terms of this System, shall not have  
11 any option to choose to receive the contributions so picked up  
12 directly and the picked up contributions must be paid by the  
13 participating employer to the System.

14 Member contributions which are picked up shall be treated in the  
15 same manner and to the same extent as member contributions made  
16 prior to the date on which member contributions were picked up by  
17 the participating employer. Member contributions so picked up shall  
18 be included in gross salary for purposes of determining benefits and  
19 contributions under the System.

20 The participating employer shall pay the member contributions  
21 from the same source of funds used in paying salary to the member,  
22 by effecting an equal cash reduction in gross salary of the member.

1           (4) By September 1, 1989, the System shall refund the  
2 accumulated employee contributions of any member who elects to  
3 retain the member's membership in the Teachers' Retirement System of  
4 Oklahoma, in accordance with Section 17-104 of ~~this title~~ Title 70  
5 of the Oklahoma Statutes, to such member. Upon the refund of the  
6 accumulated employee contributions referred to in this subsection,  
7 all benefits and rights accrued to such member are terminated.

8           SECTION 5.           AMENDATORY           74 O.S. 2001, Section 920A, as  
9 last amended by Section 27, Chapter 536, O.S.L. 2004 (74 O.S. Supp.  
10 2004, Section 920A), is amended to read as follows:

11           Section 920A. A. Any county, county hospital, city or town,  
12 conservation district or any public or private trust in which a  
13 county, city or town participates and is the primary beneficiary,  
14 which is a participating employer and any eligible employee shall  
15 contribute to the System. The total employer and employee  
16 contributions shall be based on the allowable annual compensation as  
17 defined in paragraph (9) of Section 902 of this title. Except as  
18 provided for in this section, the employer shall not pay for the  
19 employee any of the employee contribution to the System.

20           B. For the fiscal year ending June 30, 2005, the total employer  
21 and employee contributions shall equal thirteen and one-half percent  
22 (13 1/2%) of the allowable monthly compensation of each member;  
23 provided, however, each participating employer listed in this

1 section may set the amount of the employer and employee contribution  
2 to equal thirteen and one-half percent (13 1/2%) of the allowable  
3 monthly compensation of each member for compensation as provided in  
4 paragraph (9) of Section 902 of this title; provided, the employer  
5 contribution shall not exceed ten percent (10%) and the employee  
6 contribution shall not exceed eight and one-half percent (8 1/2%).

7 C. The total employer and employee contributions for fiscal  
8 years following the fiscal year ending June 30, 2005, shall be as  
9 follows:

10	July 1, 2005 - June 30, 2006	15%
11	July 1, 2006 - June 30, 2007	16%
12	July 1, 2007 - June 30, 2008	17%
13	July 1, 2008 - June 30, 2009	18%
14	July 1, 2009 - June 30, 2010	19%
15	July 1, 2010 - June 30, 2011	
16	and each fiscal year thereafter	20%

17 Such employee and employer contributions shall be based upon the  
18 allowable monthly compensation of each member for compensation as  
19 provided in paragraph (9) of Section 902 of this title. The maximum  
20 employer contribution of ten percent (10%) in subsection B of this  
21 section shall increase by one and one-half percent (1.5%) beginning  
22 in the fiscal year ending June 30, 2006, and one percent (1%) for  
23 each fiscal year thereafter until it reaches sixteen and one-half

1 percent (16.5%). For such years, the employee contribution shall  
2 not exceed eight and one-half percent (8 1/2%).

3 D. For members who make the election pursuant to paragraph (2)  
4 of subsection A of Section 915 of this title, the employee  
5 contribution shall increase by two and ninety-one one-hundredths  
6 percent (2.91%). Such employee contribution increase shall be paid  
7 by the employee. For public safety employees hired after October  
8 31, 2005, and for members who make the election pursuant to  
9 paragraph (9) of subsection A of Section 915 of this title, the  
10 employee contribution shall increase by eight and six-tenths percent  
11 (8.6%). Such employee contribution increase shall be paid by the  
12 employee as long as such employee is a public safety employee as  
13 defined in paragraph (37) of Section 902 of this title.

14 E. Each participating employer pursuant to the provisions of  
15 this section may pick up under the provisions of Section 414(h) (2)  
16 of the Internal Revenue Code of 1986 and pay the contribution which  
17 the member is required by law to make to the System for all  
18 compensation earned after December 31, 1989. Although the  
19 contributions so picked up are designated as member contributions,  
20 such contributions shall be treated as contributions being paid by  
21 the participating employer in lieu of contributions by the member in  
22 determining tax treatment under the Internal Revenue Code of 1986  
23 and such picked up contributions shall not be includable in the

1 gross income of the member until such amounts are distributed or  
2 made available to the member or the beneficiary of the member. The  
3 member, by the terms of this System, shall not have any option to  
4 choose to receive the contributions so picked up directly and the  
5 picked up contributions must be paid by the participating employer  
6 to the System.

7 F. Member contributions which are picked up shall be treated in  
8 the same manner and to the same extent as member contributions made  
9 prior to the date on which member contributions were picked up by  
10 the participating employer. Member contributions so picked up shall  
11 be included in gross salary for purposes of determining benefits and  
12 contributions under the System.

13 G. The participating employer shall pay the member  
14 contributions from the same source of funds used in paying salary to  
15 the member, by effecting an equal cash reduction in gross salary of  
16 the member.

17 SECTION 6. This act shall become effective November 1, 2005.

18 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GROUP HEALTH, dated  
19 2-22-05 - DO PASS, As Amended and Coauthored.