

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1480

By: Paddack

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2001, Section 917, as last amended by Section 25, Chapter 536, O.S.L. 2004 (74 O.S. Supp. 2005, Section 917), which relates to the Oklahoma Public Employees Retirement System; modifying vested benefit period; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 917, as last amended by Section 25, Chapter 536, O.S.L. 2004 (74 O.S. Supp. 2005, Section 917), is amended to read as follows:

Section 917. (1) Upon termination of employment with a participating employer, not followed by employment with such participating employer, or another participating employer, within four (4) calendar months, the member shall be paid an amount equal to the amount of money he or she has paid into the System upon the filing of the proper application with the System. Payment of these accumulated contributions may be made in less than four (4) calendar months only in the event that a member is not eligible to elect a vested benefit pursuant to this section and said member is terminally ill, as evidenced by a physician's certification that the member is not expected to live beyond four (4) months.

(2) If such member has completed ~~eight (8)~~ five (5) years of credited service at date of termination or if the member is a legislative session employee of the Legislature or if the employee is a session employee employed by the Legislative Service Bureau, four (4) years of credited service at date of termination, ~~he the~~ member may elect a vested benefit in lieu of receiving ~~his the~~

member's accumulated contributions. The amount of the vested benefit shall commence at the normal retirement date and shall be paid monthly during the lifetime of the retirant with the last payment made on the last day of the month in which death occurs.

(3) Upon death before the normal or early retirement date of a member who has elected a vested benefit, ~~his~~ the member's accumulated contributions shall be paid to ~~his~~ the member's beneficiary unless the spouse of the deceased member elects monthly benefits as provided for in Section 918 of this title.

(4) Upon death after the normal or early retirement date of a retirant who elected a vested benefit without an option, the excess, if any, of ~~his~~ the member's accumulated contributions over the sum of all payments of the vested benefit made to date of death shall be paid to ~~his~~ the member's beneficiary.

(5) If a former employee, who meets the eligibility requirements for membership, returns to employment after the expiration of four (4) calendar months following the termination of his or her employment and the employee has withdrawn ~~his~~ the member's accumulated contributions, ~~he~~ the member may pay to the System the sum of the accumulated contributions ~~he~~ the member has withdrawn plus interest of not to exceed ten percent (10%), as determined by the Board, and shall receive the same benefits as if ~~he~~ the member had never ~~withdrawn his contributions~~ made such withdrawal. No member shall be permitted to take advantage of the payback for restoration of creditable service more than one time. If a member, who has elected a vested benefit, or a reemployed member, who has not withdrawn ~~the member's~~ accumulated contributions, again becomes an employee of a participating employer, the period of absence shall not be counted as a break in service; however, the period of absence shall not be credited.

(6) Prior to January 1, 1991, members, who at the time of employment were ineligible for membership into the System due to

their age, shall receive benefits for the period of ineligibility if the employer and employee contributions are paid the System for that ineligible period. No interest shall be paid on a payback of this type. However, effective January 1, 1991, to receive benefits, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title.

(7) When any error in calculation or participation coverage to a prior or current employee exists, it shall be the responsibility of the participating employer which made the error to pay the amount determined by the Board pursuant to Section 913.5 of this title. This obligation of the participating employer to pay the amount due pursuant to this section shall be considered a current obligation of the employer until the amount is paid in full, regardless of the dates of the periods of service.

(8) Upon application to the Board and payment as determined by the Board, a member of the System may receive service credit for those years of service that the member was eligible to receive service credit from the Teachers' Retirement System of Oklahoma. To receive the service credit, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title.

(9) Upon the death of a retired member, the benefit payment for the month in which the retired member died, if not previously paid, shall be made to the estate of the member or to the member's beneficiary if there is no estate. Such benefit payment shall be made in an amount equal to a full monthly benefit payment regardless of the day of the month in which the retired member died.

(10) Subject to the provisions of Sections 918 and 918.1 of this title, if there are two or more beneficiaries designated by the member, upon the member's death, the System shall pay any applicable benefits to any of the beneficiaries that have completed all required paperwork regardless of whether or not all beneficiaries have completed such paperwork.

SECTION 2. This act shall become effective November 1, 2006.

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