

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 1641

By: Mazzei of the Senate

3 and

4 Sullivan of the House

5
6
7 (retirement - the Oklahoma Public Employees

8 Retirement System - effective date -

9 emergency)

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12 AUTHORS: Add the following House Coauthors: Derby and Watson

13 AMENDMENT NO. 1. Strike the stricken title, enacting clause and
14 entire bill and insert

15 "An Act relating to the Oklahoma Public Employees
16 Retirement System; amending 74 O.S. 2001, Section
17 913.4, as amended by Section 5, Chapter 486, O.S.L.
18 2003 (74 O.S. Supp. 2007, Section 913.4), which
19 relates to certain benefit computation for elected
20 officials; modifying computation method for
21 retirement benefits; imposing limitation on benefit;
22 and providing an effective date.

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

24 SECTION 1. AMENDATORY 74 O.S. 2001, Section 913.4, as
amended by Section 5, Chapter 486, O.S.L. 2003 (74 O.S. Supp. 2007,
Section 913.4), is amended to read as follows:

1 Section 913.4 A. An elected official may elect to participate
2 in the System and if he or she elects to do so shall have the option
3 of contributing at any one of the below listed ~~percentage factors~~
4 contribution rates and will receive retirement benefits in
5 accordance with the ~~percentage factor~~ contribution rate chosen. The
6 election on participation in the System must be in writing, must
7 specify the percent of contributions chosen, and must be filed with
8 the System within ninety (90) days after the elected official takes
9 office. The election ~~is~~ to participate and the election of a
10 contribution rate shall be irrevocable. Reelection to the same
11 office will not permit a new ~~election~~ elections. Failure of an
12 elected official to file such election form within the ninety-day
13 period shall be deemed an irrevocable election to participate in the
14 System at the maximum contribution ~~percentage~~ rate. Any currently
15 serving elected official who has not previously elected to
16 participate in the System on the effective date of this act, must
17 make an election on participation in writing, specifying the
18 ~~contributions percent~~ contribution rate no later than December 1,
19 1999. Failure of a currently serving elected official to file such
20 election form shall be deemed an irrevocable election to participate
21 in the System at the maximum contribution ~~percentage~~ rate.
22 Contributions and benefits will be based upon his or her annual
23 compensation as defined in Section 902 of this title. Employer and
24 employee contributions shall be remitted monthly, or as the Board

1 may otherwise provide, to the Executive Director for deposit in the
 2 Oklahoma Public Employees Retirement Fund. Effective July 1, 1994,
 3 and thereafter, the participating employer shall contribute as
 4 provided in Section 920 of this title.

5 Effective July 1, 1994, and thereafter, the member contributions
 6 and the computation factor selected shall be based on the entire
 7 compensation as an elected official subject to the definition and
 8 maximum compensation levels as set forth in paragraph (9) of Section
 9 902 of this title and shall be as follows:

10	Percent of	Computation	Alternate
11	<u>Contribution Rate</u>	Factor	Formula
12	4 1/2%	019	\$12.50
13	6%	025	\$20.00
14	7 1/2%	030	\$25.00
15	8 1/2%	034	\$27.50
16	9%	036	\$30.00
17	10%	040	\$40.00

18 B. The normal retirement date for an elected official shall be
 19 the first day of the month coinciding with or following the
 20 official's sixtieth birthday or the first day of the month
 21 coinciding with or following the date at which the sum of the
 22 elected official's age and number of years of credited service total
 23 eighty (80). Provided further, that any elective official who has a
 24 minimum of ten (10) years' participating service may retire under

1 the early retirement provisions of this act, including those
 2 electing a vested benefit and shall receive an adjustment of annual
 3 benefits in accordance with the following percentage schedule:

	Age	Percentage of Normal Retirement Benefits
6	60	100%
7	59	94%
8	58	88%
9	57	82%
10	56	76%
11	55	70%

12 C. 1. Any elected official shall receive annual benefits
 13 computed based upon the ~~computation~~ contribution rate and
 14 corresponding computation factor selected multiplied by the member's
 15 highest annual compensation received as an elected official prior to
 16 retirement or termination of employment; provided, no elected
 17 official shall retire using such highest annual compensation unless
 18 the elected official has made the required election and has paid the
 19 required contributions on such salary, multiplied by the number of
 20 years of credited service, that has been credited to the member in
 21 accordance with the provisions of this section.

22 2. The retirement benefit may be computed pursuant to the
 23 provisions of paragraph (1) of subsection A of Section 915 of this
 24 title if the benefit would be higher. Elected officials who have a

1 vested benefit prior to July 1, 1980, may elect to receive annual
2 benefits based on the alternate formula provided above. Such annual
3 benefits shall be paid in equal monthly installments.

4 3. Elected officials who become members of the Oklahoma Public
5 Employees Retirement System on or after July 1, 2008, will receive
6 retirement benefits in accordance with the contribution rate and
7 corresponding computation factor selected pursuant to subsection A
8 of this section multiplied by the member's highest annual
9 compensation received as an elected official and only for those
10 years of credited service the member served as an elected official.
11 If such elected official has participating service as a nonelected
12 member, then such nonelected service shall be computed separately
13 pursuant to the provisions of paragraph (1) of subsection A of
14 Section 915 of this title with the final benefit result added to the
15 final benefit result for elected service. In no event shall the
16 elected official be entitled to apply the contribution rate and
17 corresponding computation factor selected pursuant to subsection A
18 of this section or the compensation received as an elected official
19 to the computation of nonelected service.

20 4. Elected officials who are first elected or appointed to an
21 elected office on or after July 1, 2008, may not receive a maximum
22 benefit greater than their single highest annual compensation
23 received as a member of the Oklahoma Public Employees Retirement
24 System.

1 D. Any elected official making an election to participate at a
2 contribution ~~percent~~ rate less than the maximum and later selecting
3 a higher rate shall contribute to the System a sum equal to the
4 amount which he would have contributed if he had made such election
5 at the time he first became eligible, plus interest as determined by
6 the Board, in order to receive the additional benefits for all
7 service as an elected official; otherwise, the additional benefits
8 shall be applicable only to service for which the elected official
9 pays the appropriate percent of contributions to the System. Any
10 elected official who did not elect to participate and later elects
11 to participate prior to December 1, 1999, may receive credit for
12 those years of service accumulated by the member as an elected
13 official if the member is not receiving or eligible to receive
14 retirement credit or benefits from said service in any public
15 retirement system. To receive this service credit, the member shall
16 pay the amount determined by the Board pursuant to Section 913.5 of
17 this title.

18 E. An elected official who has a vested benefit on July 1,
19 1982, may elect to receive benefits based upon a higher contribution
20 rate than the official previously contributed by paying to the
21 System the contributions, plus interest as determined by the Board,
22 due at the higher rate as if that rate had been in effect at the
23 time the official accepted a vested benefit.

1 F. The surviving spouse of a deceased elected official having
2 at least six (6) years of participating service shall be entitled to
3 receive survivor benefits in the amount herein prescribed, if
4 married to the decedent continuously for a period of at least three
5 (3) years immediately preceding the elected official's death.
6 Provided the elected official had met the service requirements,
7 survivor benefits shall be payable when the deceased member would
8 have met the requirements for normal or early retirement. The
9 amount of the benefits the surviving spouse may receive shall be
10 fifty percent (50%) of the amount of benefits the deceased elected
11 official was receiving or will be eligible to receive. Remarriage
12 of a surviving spouse shall disqualify the spouse for the receipt of
13 survivor benefits. Elected officials may elect a retirement option
14 as provided in Section 918 of this title in lieu of the survivors
15 benefit provided above.

16 G. Any elected official who served in the Armed Forces of the
17 United States, as defined in paragraph (23) of Section 902 of this
18 title, prior to membership in the Oklahoma Public Employees
19 Retirement System shall be granted credited service of not to exceed
20 five (5) years for those periods of active military service during
21 which the elected official was a war veteran.

22 H. Any one appointed or elected to an elected position after
23 July 1, 1990, shall not be eligible to receive benefits as provided
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1 in this section until such person has participated as an elected
2 official for six (6) years.

3 I. Elected officials who terminate participation in the System
4 and who have a minimum of six (6) years of participating service
5 shall be entitled to elect a vested benefit and shall be entitled to
6 the retirement options as provided in Section 918 of this title in
7 lieu of the survivors benefit provided above.

8 SECTION 2. This act shall become effective July 1, 2008."

9 Passed the House of Representatives the 16th day of April, 2008.

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Presiding Officer of the House of
Representatives

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14 Passed the Senate the ____ day of _____, 2008.

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Presiding Officer of the Senate