

STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 1641

By: Mazzei of the Senate

and

Sullivan of the House

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Public Employees Retirement System; amending 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), which relates to certain benefit computation for elected officials, modifying computation method for retirement benefits; imposing limitation on benefit; 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. 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:

Section 913.4 A. An elected official may elect to participate in the System and if he or she elects to do so shall have the option of contributing at any one of the below listed ~~percentage factors~~ contribution rates and will receive retirement benefits in

1 accordance with the ~~percentage factor~~ contribution rate chosen. The
2 election on participation in the System must be in writing, must
3 specify the percent of contributions chosen, and must be filed with
4 the System within ninety (90) days after the elected official takes
5 office. The election ~~is~~ to participate and the election of a
6 contribution rate shall be irrevocable. Reelection to the same
7 office will not permit a new ~~election~~ elections. Failure of an
8 elected official to file such election form within the ninety-day
9 period shall be deemed an irrevocable election to participate in the
10 System at the maximum contribution ~~percentage~~ rate. Any currently
11 serving elected official who has not previously elected to
12 participate in the System on the effective date of this act, must
13 make an election on participation in writing, specifying the
14 ~~contributions percent~~ contribution rate no later than December 1,
15 1999. Failure of a currently serving elected official to file such
16 election form shall be deemed an irrevocable election to participate
17 in the System at the maximum contribution ~~percentage~~ rate.
18 Contributions and benefits will be based upon his or her annual
19 compensation as defined in Section 902 of this title. Employer and
20 employee contributions shall be remitted monthly, or as the Board
21 may otherwise provide, to the Executive Director for deposit in the
22 Oklahoma Public Employees Retirement Fund. Effective July 1, 1994,
23 and thereafter, the participating employer shall contribute as
24 provided in Section 920 of this title.

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

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

14 B. The normal retirement date for an elected official shall be
 15 the first day of the month coinciding with or following the
 16 official's sixtieth birthday or the first day of the month
 17 coinciding with or following the date at which the sum of the
 18 elected official's age and number of years of credited service total
 19 eighty (80). Provided further, that any elective official who has a
 20 minimum of ten (10) years' participating service may retire under
 21 the early retirement provisions of this act, including those
 22 electing a vested benefit and shall receive an adjustment of annual
 23 benefits in accordance with the following percentage schedule:

24 Percentage of Normal

	Age	Retirement Benefits
1		
2	60	100%
3	59	94%
4	58	88%
5	57	82%
6	56	76%
7	55	70%

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

18 2. The retirement benefit may be computed pursuant to the
19 provisions of paragraph (1) of subsection A of Section 915 of this
20 title if the benefit would be higher. Elected officials who have a
21 vested benefit prior to July 1, 1980, may elect to receive annual
22 benefits based on the alternate formula provided above. Such annual
23 benefits shall be paid in equal monthly installments.

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

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

22 D. Any elected official making an election to participate at a
23 contribution ~~percent~~ rate less than the maximum and later selecting
24 a higher rate shall contribute to the System a sum equal to the

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

15 E. An elected official who has a vested benefit on July 1,
16 1982, may elect to receive benefits based upon a higher contribution
17 rate than the official previously contributed by paying to the
18 System the contributions, plus interest as determined by the Board,
19 due at the higher rate as if that rate had been in effect at the
20 time the official accepted a vested benefit.

21 F. The surviving spouse of a deceased elected official having
22 at least six (6) years of participating service shall be entitled to
23 receive survivor benefits in the amount herein prescribed, if
24 married to the decedent continuously for a period of at least three

1 (3) years immediately preceding the elected official's death.

2 Provided the elected official had met the service requirements,
3 survivor benefits shall be payable when the deceased member would
4 have met the requirements for normal or early retirement. The
5 amount of the benefits the surviving spouse may receive shall be
6 fifty percent (50%) of the amount of benefits the deceased elected
7 official was receiving or will be eligible to receive. Remarriage
8 of a surviving spouse shall disqualify the spouse for the receipt of
9 survivor benefits. Elected officials may elect a retirement option
10 as provided in Section 918 of this title in lieu of the survivors
11 benefit provided above.

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

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

22 I. Elected officials who terminate participation in the System
23 and who have a minimum of six (6) years of participating service
24 shall be entitled to elect a vested benefit and shall be entitled to

1 the retirement options as provided in Section 918 of this title in
2 lieu of the survivors benefit provided above.

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

4 SECTION 3. It being immediately necessary for the preservation
5 of the public peace, health and safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval

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