

ENROLLED SENATE
BILL NO. 1641

By: Mazzei of the Senate

and

Sullivan, Derby and Watson
of the House

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; and imposing limitation on benefit.

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 accordance with the ~~percentage factor~~ contribution rate chosen. The election on participation in the System must be in writing, must specify the percent of contributions chosen, and must be filed with the System within ninety (90) days after the elected official takes office. The election is to participate and the election of a contribution rate shall be irrevocable. Reelection to the same office will not permit a new election elections. Failure of an elected official to file such election form within the ninety-day period shall be deemed an irrevocable election to participate in the

System at the maximum contribution ~~percentage rate~~. Any currently serving elected official who has not previously elected to participate in the System on the effective date of this act, must make an election on participation in writing, specifying the ~~contributions percent~~ contribution rate no later than December 1, 1999. Failure of a currently serving elected official to file such election form shall be deemed an irrevocable election to participate in the System at the maximum contribution ~~percentage rate~~. Contributions and benefits will be based upon his or her annual compensation as defined in Section 902 of this title. Employer and employee contributions shall be remitted monthly, or as the Board may otherwise provide, to the Executive Director for deposit in the Oklahoma Public Employees Retirement Fund. Effective July 1, 1994, and thereafter, the participating employer shall contribute as provided in Section 920 of this title.

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

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

B. The normal retirement date for an elected official shall be the first day of the month coinciding with or following the official's sixtieth birthday or the first day of the month coinciding with or following the date at which the sum of the

elected official's age and number of years of credited service total eighty (80). Provided further, that any elective official who has a minimum of ten (10) years' participating service may retire under the early retirement provisions of this act, including those electing a vested benefit and shall receive an adjustment of annual benefits in accordance with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
60	100%
59	94%
58	88%
57	82%
56	76%
55	70%

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

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

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

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

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

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

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

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

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

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

Passed the Senate the 28th day of April, 2008.

Presiding Officer of the Senate

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

Presiding Officer of the House
of Representatives