

THE HOUSE OF REPRESENTATIVES  
Tuesday, February 19, 2008

Committee Substitute for  
House Bill No. 2559

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2559 - By: REYNOLDS and DERBY of the House and BROGDON of the Senate.

An Act relating to retirement; amending 74 O.S. 2001, Sections 902, as last amended by Section 134, Chapter 1, O.S.L. 2005 and 913.4, as amended by Section 5, Chapter 486, O.S.L. 2003 (74 O.S. Supp. 2007, Sections 902 and 913.4), which relate to the Oklahoma Public Employees Retirement System; modifying definitions; specifying the computation rate and factor for certain elected officials; providing an effective date; and declaring an emergency.

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

1 SECTION 1. AMENDATORY 74 O.S. 2001, Section 902, as last amended by  
2 Section 134, Chapter 1, O.S.L. 2005 (74 O.S. Supp. 2007, Section 902), is amended to  
3 read as follows:

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

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

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

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

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

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

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

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

11 (8) "Board" means the Oklahoma Public Employees Retirement System Board of  
12 Trustees;

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

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

1 For compensation for service on or after January 1, 1988, through June  
2 30, 1994, the maximum compensation level shall be Forty Thousand  
3 Dollars (\$40,000.00) per annum.

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

16 (b) Compensation for retirement purposes shall include any amount of  
17 elective salary reduction under Section 457 of the Internal Revenue  
18 Code of 1986 and any amount of ~~non-elective~~ nonelective salary  
19 reduction under Section 414(h) of the Internal Revenue Code of 1986.

20 (c) Notwithstanding any provision to the contrary, the compensation  
21 taken into account for any employee in determining the contribution or  
22 benefit accruals for any plan year is limited to the annual

1 compensation limit under Section 401(a)(17) of the federal Internal  
2 Revenue Code.

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

15 (10) "Credited service" means the sum of participating service, prior service and  
16 elected service. Unless otherwise provided by law, for purposes of benefit calculations,  
17 each specific type of service shall be multiplied by the percentage applicable to that type  
18 of service;

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

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

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

10 (a) If a class or several classes of employees of any above-defined  
11 employers are covered by Social Security and are not covered by or  
12 eligible for and will not become eligible for another retirement plan  
13 authorized under the laws of this state, which is in operation on the  
14 effective date, such employer shall be deemed an eligible employer, but  
15 only with respect to that class or those classes of employees as defined  
16 in this section.

17 (b) A class or several classes of employees who are covered by Social  
18 Security and are not covered by or eligible for and will not become  
19 eligible for another retirement plan authorized under the laws of this  
20 state, which is in operation on the effective date, and when the  
21 qualifications for employment in such class or classes are set by state  
22 law; and when such class or classes of employees are employed by a

1 county or municipal government pursuant to such qualifications; and  
2 when the services provided by such employees are of such nature that  
3 they qualify for matching by or contributions from state or federal  
4 funds administered by an agency of state government which qualifies  
5 as a participating employer, then the agency of state government  
6 administering the state or federal funds shall be deemed an eligible  
7 employer, but only with respect to that class or those classes of  
8 employees as defined in this subsection; provided, that the required  
9 contributions to the retirement plan may be withheld from the  
10 contributions of state or federal funds administered by the state  
11 agency and transmitted to the System on the same basis as the  
12 employee and employer contributions are transmitted for the direct  
13 employees of the state agency. The retirement or eligibility for  
14 retirement under the provisions of law providing pensions for service  
15 as a volunteer fire fighter shall not render any person ineligible for  
16 participation in the benefits provided for in Section 901 et seq. of this  
17 title. An employee of any public or private trust in which a county, city  
18 or town participates and is the primary beneficiary shall be deemed to  
19 be an eligible employee for the purpose of this act only.

20 (c) All employees of the George Nigh Rehabilitation Institute who elected  
21 to retain membership in the System, pursuant to Section 913.7 of this  
22 title, shall continue to be eligible employees for the purposes of this

1 act. The George Nigh Rehabilitation Institute shall be considered a  
2 participating employer only for such employees.

3 (d) A participating employer of the Teachers' Retirement System of  
4 Oklahoma, who has one or more employees who have made an election  
5 pursuant to enabling legislation to retain membership in the System  
6 as a result of change in administration, shall be considered a  
7 participating employer of the Oklahoma Public Employees Retirement  
8 System only for such employees;

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

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

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 (c) It shall be mandatory for an officer, appointee or employee of the office  
2 of district attorney to become a member of this System if he or she is  
3 not currently participating in a county retirement system. Provided  
4 further, that if an officer, appointee or employee of the office of district  
5 attorney is currently participating in such county retirement system,  
6 he or she is ineligible for this System as long as he or she is eligible for  
7 such county retirement system. Any eligible officer, appointee or  
8 employee of the office of district attorney shall be given credit for prior  
9 service as defined in this section. The provisions outlined in Section  
10 917 of this title shall apply to those employees who have previously  
11 withdrawn their contributions.

12 (d) Eligibility shall also not include any officer or employee of the  
13 Oklahoma Employment Security Commission, except for those officers  
14 and employees of the Commission electing to transfer to this System  
15 pursuant to the provisions of Section 910.1 of this title or any other  
16 class of officers or employees specifically exempted by the laws of this  
17 state, unless there be a consolidation as provided by Section 912 of this  
18 title. Employees of the Oklahoma Employment Security Commission  
19 who are ineligible for enrollment in the Employment Security  
20 Commission Retirement Plan, that was in effect on January 1, 1964,  
21 shall become members of this System.

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

16 (i) Except as otherwise provided by this subparagraph, once a  
17 temporary session employee makes a choice to participate or  
18 not, the choice shall be binding for all future legislative sessions  
19 during which the employee is employed.

20 (ii) Notwithstanding the provisions of division (i) of this  
21 subparagraph, any employee, who is eligible for membership in  
22 the System because of the provisions of this subparagraph and

1 who was employed by the State Senate or House of  
2 Representatives after January 1, 1989, may file an election, in a  
3 manner specified by the Board, to participate as a member of the  
4 System prior to September 1, 1989.

5 (iii) Notwithstanding the provisions of division (i) of this  
6 subparagraph, a temporary legislative session employee who  
7 elected to become a member of the System may withdraw from  
8 the System effective the day said employee elected to participate  
9 in the System upon written request to the Board. Any such  
10 request must be received by the Board prior to October 1, 1990.  
11 All employee contributions made by the temporary legislative  
12 session employee shall be returned to the employee without  
13 interest within four (4) months of receipt of the written request.

14 (iv) A member of the System who did not initially elect to participate  
15 as a member of the System pursuant to subparagraph (e) of this  
16 paragraph shall be able to acquire service performed as a  
17 temporary legislative session employee for periods of service  
18 performed prior to the date upon which the person became a  
19 member of the System if:

- 20 a. the member files an election with the System not later  
21 than December 31, 2000, to purchase the prior service;  
22 and

1                   b.     the member makes payment to the System of the  
2                             actuarial cost of the service credit pursuant to subsection  
3                             A of Section 913.5 of this title. The provisions of Section  
4                             913.5 of this title shall be applicable to the purchase of  
5                             the service credit, including the provisions for  
6                             determining service credit in the event of incomplete  
7                             payment due to cessation of payments, death, termination  
8                             of employment or retirement, but the payment may  
9                             extend for a period not to exceed ninety-six (96) months;

10           (15) “Entry date” means the date on which an eligible employer joins the System.

11   The first entry date pursuant to Section 901 et seq. of this title shall be January 1, 1964;

12           (16) “Executive Director” means the managing officer of the System employed by  
13   the Board under Section 901 et seq. of this title;

14           (17) “Federal Internal Revenue Code” means the federal Internal Revenue Code of  
15   1954 or 1986, as amended and as applicable to a governmental plan as in effect on July 1,  
16   1999;

17           (18) “Final average compensation” means the average annual compensation,  
18   including amounts deferred under deferred compensation agreements entered into  
19   between a member and a participating employer, up to, but not exceeding the maximum  
20   compensation levels as provided in paragraph (9) of this section received during the  
21   highest three (3) of the last ten (10) years of participating service immediately preceding  
22   retirement or termination of employment. Provided, no member shall retire with a final

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 average compensation unless the member has made the required contributions on such  
2 compensation, as defined by the Board of Trustees;

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

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

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

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

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

20 (a) during the following periods, including the beginning and ending  
21 dates, and only for the periods served, from:

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

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

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

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

4 (a) the first day of the month coinciding with or following a member's  
5 sixty-second birthday,

6 (b) for any person who initially became a member prior to July 1, 1992,  
7 the first day of the month coinciding with or following the date at  
8 which the sum of a member's age and number of years of credited  
9 service total eighty (80); such a normal retirement date will also apply  
10 to any person who became a member of the sending system as defined  
11 in Section 901 et seq. of this title, prior to July 1, 1992, regardless of  
12 whether there were breaks in service after July 1, 1992,

13 (c) for any person who became a member after June 30, 1992, the first day  
14 of the month coinciding with or following the date at which the sum of  
15 a member's age and number of years of credited service total ninety  
16 (90),

17 (d) in addition to subparagraphs (a), (b) and (c) of this paragraph, the first  
18 day of the month coinciding with or following a member's completion of  
19 at least twenty (20) years of full-time-equivalent employment as:

20 (i) a correctional or probation and parole officer with the

21 Department of Corrections and at the time of retirement, the

1 member was a correctional or probation and parole officer with  
2 the Department of Corrections, or  
3 (ii) a correctional officer, probation and parole officer or fugitive  
4 apprehension agent with the Department of Corrections who is  
5 in such position on June 30, 2004, or who is hired after June 30,  
6 2004, and who receives a promotion or change in job  
7 classification after June 30, 2004, to another position in the  
8 Department of Corrections, so long as such officer or agent has  
9 at least five (5) years of service as a correctional officer,  
10 probation and parole officer or fugitive apprehension agent with  
11 the Department, has twenty (20) years of full-time-equivalent  
12 employment with the Department and was employed by the  
13 Department at the time of retirement, or  
14 (iii) a firefighter with the Oklahoma Military Department either  
15 employed for the first time on or after July 1, 2002, or who was  
16 employed prior to July 1, 2002, in such position and who makes  
17 the election authorized by division (2) of subparagraph b of  
18 paragraph (8) of subsection A of Section 915 of this title and at  
19 the time of retirement, the member was a firefighter with the  
20 Oklahoma Military Department, and such member has at least  
21 twenty (20) years of credited service upon which the two and

1 one-half percent (2 1/2%) multiplier will be used in calculating  
2 the retirement benefit,

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

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

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

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

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

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

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

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

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

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

17 (33) "Service-connected disability benefits" means military service benefits which  
18 are for a service-connected disability rated at twenty percent (20%) or more by the  
19 Veterans Administration or the Armed Forces of the United States;

20 (34) "Elected official" means a person elected to a state office in the legislative or  
21 executive branch of state government or a person elected to a county office for a definite

1 number of years and shall include an individual who is appointed to fill the unexpired  
2 term of an elected state official;

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

4 (36) "Limitation year" means the year used in applying the limitations of Section  
5 415 of the Internal Revenue Code of 1986, which year shall be the calendar year.

6 SECTION 2. AMENDATORY 74 O.S. 2001, Section 913.4, as amended by  
7 Section 5, Chapter 486, O.S.L. 2003 (74 O.S. Supp. 2007, Section 913.4), is amended to  
8 read as follows:

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.



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

6	Age	Percentage of Normal Retirement Benefits
8	60	100%
9	59	94%
10	58	88%
11	57	82%
12	56	76%
13	55	70%

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

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

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

18           D. Any elected official making an election to participate at a contribution ~~percent~~  
19 rate less than the maximum and later selecting a higher rate shall contribute to the  
20 System a sum equal to the amount which he would have contributed if he had made such  
21 election at the time he first became eligible, plus interest as determined by the Board, in  
22 order to receive the additional benefits for all service as an elected official; otherwise, the

1 additional benefits shall be applicable only to service for which the elected official pays  
2 the appropriate percent of contributions to the System. Any elected official who did not  
3 elect to participate and later elects to participate prior to December 1, 1999, may receive  
4 credit for those years of service accumulated by the member as an elected official if the  
5 member is not receiving or eligible to receive retirement credit or benefits from said  
6 service in any public retirement system. To receive this service credit, the member shall  
7 pay the amount determined by the Board pursuant to Section 913.5 of this title.

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

13 F. The surviving spouse of a deceased elected official having at least six (6) years of  
14 participating service shall be entitled to receive survivor benefits in the amount herein  
15 prescribed, if married to the decedent continuously for a period of at least three (3) years  
16 immediately preceding the elected official's death. Provided the elected official had met  
17 the service requirements, survivor benefits shall be payable when the deceased member  
18 would have met the requirements for normal or early retirement. The amount of the  
19 benefits the surviving spouse may receive shall be fifty percent (50%) of the amount of  
20 benefits the deceased elected official was receiving or will be eligible to receive.  
21 Remarriage of a surviving spouse shall disqualify the spouse for the receipt of survivor

1 benefits. Elected officials may elect a retirement option as provided in Section 918 of this  
2 title in lieu of the survivors benefit provided above.

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

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

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

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

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

19 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
20 FINANCIAL SERVICES, dated 02-18-08 - DO PASS, As Amended and Coauthored.