

EHB 1737

THE STATE SENATE
Monday, April 2, 2007

ENGROSSED

House Bill No. 1737

As Amended

ENGROSSED HOUSE BILL NO. 1737 - By: TIBBS of the House and CRAIN of the Senate.

[counties and county officers - establishment of certain retirement plans - effective date - emergency]

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

SECTION 1. AMENDATORY 19 O.S. 2001, Section 956, is amended to read as follows:

Section 956. No county employee shall be eligible for retirement benefits under this act until such employee:

1. Has attained the age of sixty-two (62) years and shall have served for a period of at least fifteen (15) years with said county, and the last two (2) years of such service shall have been consecutive immediately preceding such retirement; or

2. Has attained the age of fifty-five (55) years and shall have served for a period of at least thirty (30) years with said county; or

3. Has attained the age at which the sum of the employee's age and number of years of service with the county total eighty (80).

1 To be eligible for retirement benefits the employee's service with
2 the county shall have ceased; however, a retired employee shall not
3 be required to reduce or suspend the retirement benefit based upon
4 employment with the county after retirement except as may be
5 provided specifically in the resolution of the applicable board of
6 county commissioners establishing the plan or an amendment to the
7 plan. Provided, that any county employee who shall have completed
8 fifteen (15) years of service as such county employee, the last two
9 (2) years of which shall have been consecutive, and who, at the time
10 of completing such fifteen (15) years of service shall not have
11 reached the age of sixty-two (62) years, may then elect to retire,
12 such retirement to become effective and all retirement benefits to
13 begin when such county employee shall have attained the age of
14 sixty-two (62) years, provided that such election shall be in
15 writing upon such form as the board of trustees shall direct, and
16 such election shall be signed by such employee and filed with the
17 board of trustees, and any funds paid into the retirement system by
18 such employee may not thereafter be withdrawn by such employee.
19 Provided, that when approved by the board of trustees of the county
20 retirement system and the board of county commissioners of any
21 county which has provided for a retirement fund and system as
22 authorized under the provisions of Section 951 of this title, the
23 board of trustees may lower the mandatory fifteen-year requirement

1 to not less than five (5) years by a resolution if the following has
2 occurred:

3 1. Prior to such action, an actuarial report on the system
4 shall be made by an independent professional actuary qualified as an
5 "Enrolled actuary" as defined by the Employee Retirement Income
6 Security Act (ERISA) of 1974, which report shall determine and
7 declare whether the reduction of the mandatory service requirement
8 would result in any additional unfunded or accrued liabilities and,
9 if so, the amount required to make the retirement system actuarially
10 sound expressed in dollars and in percent of the gross payroll.

11 2. Such report shall be filed with the board of trustees and
12 with the board of county commissioners and notice of the receipt and
13 filing of such report be given by the board of county commissioners
14 by publishing notice thereof in a newspaper of general circulation
15 in the county. Such report shall be a public document subject to
16 examination by any interested person. Any member of the retirement
17 system or any citizen of the county may, within thirty (30) days
18 from the date of such publication, file a petition in the district
19 court of the county in which the retirement system is located to
20 challenge the validity and accuracy of the actuarial report or any
21 other action taken in connection therewith, and the court is hereby
22 vested with jurisdiction to receive evidence and enter a judgment
23 affirming, modifying or rejecting the actuarial report or any

1 funding provisions, and such report shall be conformed in accordance
2 with any final judgment. The costs, including attorney fees, if
3 any, of such action shall be assessed by the court as it may deem
4 equitable irrespective of the form of the judgment.

5 3. If the final report determines that additional funding shall
6 be required to implement any reduction of the mandatory service
7 requirement, then and in that event affirmative action by the board
8 of county commissioners, approved by the board of trustees,
9 providing for the funding of any such changed benefits in an amount
10 necessary to make said system actuarially sound upon the
11 implementation of such change shall be established at or prior to
12 the effective date of such reduction in the mandatory service
13 requirement.

14 4. If the report reveals no additional funding requirement,
15 then the board of county commissioners with the approval of the
16 board of trustees may lower the mandatory fifteen-year service
17 requirement as provided in this section without a corresponding or
18 concurrent funding resolution.

19 5. It is further provided that if the mandatory service credit
20 is reduced to a period of time less than fifteen (15) years, then
21 and in that event the retirement benefits shall be correspondingly
22 reduced by at least an amount equal to six and two-thirds percent (6
23 2/3%) from that which would have been earned for fifteen (15) years'

1 service multiplied by the number of years of reduction in the
2 mandatory service except for those retirees who have eight (8)
3 years' service and are entitled to disability retirement. The
4 entitlement to disability retirement and the amount thereof shall
5 not be affected by this paragraph.

6 6. No person shall be entitled to receive the benefits of a
7 reduction in the mandatory service requirement who at the time of
8 such reduction is not then an employee of the county, has been
9 continuously employed by the county and a member of the county
10 retirement system for the twenty-four (24) months immediately
11 preceding the reduction in the mandatory service requirement or
12 shall have been an employee with twenty-four (24) months immediately
13 preceding the election by such employee to receive the benefit of
14 the reduced mandatory service requirement.

15 Provided further, that, for the purposes of this act and the
16 eligibility of employees to participate therein, employees of levee
17 districts shall be considered county employees. Retirement
18 benefits, disability benefits and benefits paid to the surviving
19 spouse shall be calculated on the average of the income of any three
20 (3) years which shall be the years of highest income for said
21 employee during participation in said retirement system.

22 Any employee of the county covered by this act who shall have
23 completed eight (8) years of employment with said county and who, by

1 reason of disability resulting from the performance of his duties as
2 such employee of said county, shall become disabled to such an
3 extent as to be unable to perform his duties as an employee shall be
4 entitled to disability retirement and to such benefits as the board
5 of trustees shall determine; provided, however, that the board of
6 trustees shall find that said disability is total and permanent, and
7 resulted from the performance of his duty as such employee of the
8 county.

9 Any person who has been a regular county employee for at least
10 one (1) year immediately preceding the time he is required, by Act
11 of Congress of the United States and/or by order of the President of
12 the United States, or volunteers to leave the employment of the
13 county to enter the military service of the United States government
14 shall receive credit, for the purposes of this act, for all actual
15 time so served in full-time military service, but not to exceed a
16 total of four (4) years in all; provided, however, that to be
17 eligible to receive such credit, the employee shall not withdraw
18 funds previously contributed, as otherwise permitted by the
19 provisions of this act; provided, further, that neither the employee
20 nor the county shall be required to make further contribution to the
21 retirement fund during the period of military service; and,
22 provided, further, that the credit time allowed, hereby, shall not
23 be considered in lieu of the two (2) years' consecutive employment

1 required by this section, as a prerequisite to receiving retirement
2 benefits hereunder. Provided further, that if any county employee
3 who shall have completed at least fifteen (15) years of service to
4 any county covered by this act and who has not yet reached the age
5 of retirement shall die, then, and in such event, the surviving
6 spouse of said county employee shall receive retirement benefits in
7 the amount of sixty-six and two-thirds percent (66 2/3%) of whatever
8 benefits would otherwise be received by said county employee under
9 this act at the age of sixty-two (62) years, such retirement
10 benefits to the surviving spouse to begin on the date said deceased
11 county employee would have reached the age of sixty-two (62) years.

12 Provided further, that if any county employee receiving or
13 eligible to receive retirement benefits pursuant to the provisions
14 of this act shall die, then, and in such event, the surviving spouse
15 of said person shall receive retirement benefits in the amount of
16 sixty-six and two-thirds percent (66 2/3%) of whatever benefits the
17 deceased was receiving or was entitled to receive for the remainder
18 of the natural life of said surviving spouse. This provision shall
19 apply to anyone who has qualified for retirement, even though they
20 may not have retired or are deceased. Said provision also shall
21 include any employees who have retired after January 1, 1970, and
22 later shall become deceased, then in such event the surviving spouse
23 shall receive sixty-six and two-thirds percent (66 2/3%). This

1 shall not apply to persons who have retired prior to January 1,
2 1970, or their spouses.

3 Provided further, that the board of trustees and the board of
4 county commissioners may elect to amend the surviving spouse benefit
5 provision to increase the surviving spouse retirement benefit to as
6 much as one hundred percent (100%).

7 Provided further, that the board of trustees and the board of
8 county commissioners may elect to amend the benefit provisions to
9 allow any vested employee who is otherwise not eligible to retire
10 because such employee has not satisfied any of the age requirements
11 the option of retiring as early as age fifty-five (55). However,
12 such employee shall have met the minimum service requirements
13 approved by the board of trustees of the county retirement system
14 and the board of county commissioners. If any employee elects such
15 an option, the employee shall receive an actuarially reduced
16 benefit.

17 SECTION 2. This act shall become effective July 1, 2007.

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

22 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT & INSURANCE, dated
23 3-29-07 - DO PASS, As Amended.