

STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

HOUSE BILL 2559

By: Reynolds

AS INTRODUCED

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 retirement benefit computations; modifying provisions related to years of service performed as an elected official; providing for separate computations of benefits; amending 74 O.S. 2001, Section 914, as last amended by Section 1, Chapter 367, O.S.L. 2007 (74 O.S. Supp. 2007, Section 914), which relates to retirement procedures; modifying limitations with respect to receipt of retirement benefits by certain elected officials; 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 elects to do so shall have the option of contributing at any one of the below listed percentage factors and will receive retirement benefits in accordance with the percentage factor chosen only for those years of service as an elected official

1 for elected officials first holding an elected office on or after
2 November 1, 2008, and for any person who has fewer than six (6)
3 years of service as an elected official as of July 1, 2008.

4 B. When computing retirement benefits pursuant to the
5 provisions of this section, for elected officials first holding an
6 elected office on or after November 1, 2008, and for any person who
7 has fewer than six (6) years of service as an elected official as of
8 July 1, 2008, all years of service performed for any other
9 participating employer of the System shall be separately computed
10 using the applicable multiplier and final average compensation for
11 such service. If an elected official who first holds an elected
12 office on or after November 1, 2008, and any person who has fewer
13 than six (6) years of service as an elected official as of July 1,
14 2008, retires from the System while serving as an elected official,
15 but with other years of service performed for a participating
16 employer or employers not as an elected official, the total
17 retirement benefit shall be the sum of the results of the two
18 computations required by this subsection for years of service
19 performed as an elected official and other years of service
20 performed for other participating employers of the System.

21 C. The election on participation in the System must be in
22 writing, must specify the percent of contributions chosen, and must
23 be filed with the System within ninety (90) days after the elected
24 official takes office. The election is irrevocable. Reelection to

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

19 Effective July 1, 1994, and thereafter, the member contributions
 20 and the computation factor selected shall be based on the entire
 21 compensation as an elected official subject to the definition and
 22 maximum compensation levels as set forth in paragraph (9) of Section
 23 902 of this title and shall be as follows:

24	Percent of	Computation	Alternate
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1	Contribution	Factor	Formula
2	4 1/2%	019	\$12.50
3	6%	025	\$20.00
4	7 1/2%	030	\$25.00
5	8 1/2%	034	\$27.50
6	9%	036	\$30.00
7	10%	040	\$40.00

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

18		Percentage of Normal
19	Age	Retirement Benefits
20	60	100%
21	59	94%
22	58	88%
23	57	82%
24	56	76%

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

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

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

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

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

16 ~~F.~~ H. The surviving spouse of a deceased elected official
17 having at least six (6) years of participating service shall be
18 entitled to receive survivor benefits in the amount herein
19 prescribed, if married to the decedent continuously for a period of
20 at least three (3) years immediately preceding the elected
21 official's death. Provided the elected official had met the service
22 requirements, survivor benefits shall be payable when the deceased
23 member would have met the requirements for normal or early
24 retirement. The amount of the benefits the surviving spouse may

1 receive shall be fifty percent (50%) of the amount of benefits the
2 deceased elected official was receiving or will be eligible to
3 receive. Remarriage of a surviving spouse shall disqualify the
4 spouse for the receipt of survivor benefits. Elected officials may
5 elect a retirement option as provided in Section 918 of this title
6 in lieu of the survivors benefit provided above.

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

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

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

22 SECTION 2. AMENDATORY 74 O.S. 2001, Section 914, as last
23 amended by Section 1, Chapter 367, O.S.L. 2007 (74 O.S. Supp. 2007,
24 Section 914), is amended to read as follows:

1 Section 914. A. The normal retirement date for a member of the
2 Oklahoma Public Employees Retirement System shall be as defined in
3 Section 902 of this title, provided members employed on or after
4 January 1, 1983, shall have six (6) or more years of full-time-
5 equivalent employment with a participating employer before receiving
6 any retirement benefits or if the member is a legislative session
7 employee of the Legislature, shall have three (3) or more years of
8 full-time-equivalent employment with a participating employer before
9 receiving any retirement benefits. In no event shall a normal
10 retirement date for a member be before six (6) months after the
11 entry date of the participating employer by whom he or she is
12 employed.

13 B. A member may be employed beyond the normal retirement date
14 by the appointing authority of the participating employer. However,
15 the member may not receive retirement pay so long as the member
16 continues employment under this act. Any member who has terminated
17 employment with a participating employer prior to the month
18 immediately preceding said member's normal retirement date must
19 elect a vested benefit pursuant to Section 917 of this title before
20 receiving any retirement benefits.

21 C. Notice for retirement shall be filed through the retirement
22 coordinator for the participating employer in such form and manner
23 as the Board shall prescribe; provided, that such notice for
24 retirement shall be filed with the office of the retirement system

1 at least sixty (60) days prior to the date selected for the member's
2 retirement; provided further, that the Executive Director may waive
3 the sixty-day notice for good cause shown as defined by the Board.

4 D. No retirement benefits shall be payable to any member until
5 the first day of the month following the termination of the member's
6 employment with any participating employer. The type of retirement
7 benefit selected by a member may not be changed on or after the
8 effective date of the member's retirement. Receipt of workers'
9 compensation benefits shall in no respect disqualify retirant for
10 benefits.

11 E. ~~If~~ Except as otherwise provided by paragraph 5 of this
12 subsection, if a retirant should be elected or appointed to any
13 position or office for which compensation for service is paid from
14 levies or taxes imposed by the state or any political subdivision
15 thereof, the retirant shall not receive any retirement benefit for
16 any month for which the retirant serves in such position or office
17 after the retirant has received compensation in a sum equal to the
18 amount allowable as wages or earnings by the Social Security
19 Administration in any calendar year; provided, this subsection shall
20 not apply to service rendered by a retirant as a juror, as a witness
21 in any legal proceeding or action, as an election board judge or
22 clerk, or in any other office or position of a similar nature, or to
23 an employer that is not a participating employer. Provided,
24 further, that any participating employer who is employing such a

1 | retirant shall make proper written notification to the System
2 | informing it of the beginning date of such retirant's employment and
3 | the date such retirant reaches the maximum compensation allowed by
4 | this section in the calendar year; and provided, also, that any
5 | retirant returning to work for a participating employer shall make
6 | contributions to the System and the employer shall do likewise. All
7 | retirants who have returned to employment and participation in the
8 | System following retirement shall have post-retirement benefits
9 | calculated on one of the following methods:

10 | 1. All service accumulated from date of reemployment shall be
11 | computed based on the benefit formula applicable at that time and
12 | the additional benefits shall be added to the previous benefits.
13 | Such additional benefits shall be calculated each year based upon
14 | additional service accrued from July 1 to June 30 of the previous
15 | year and the additional benefit, if any, will be added to the
16 | retirant's monthly benefit beginning January 1, 2000, and each
17 | January 1 thereafter; however, the post-retirement service credit
18 | shall be cumulative, beginning with service credit accrued after the
19 | date of retirement, provided that the retirant has not received a
20 | distribution of the post-retirement contributions.

21 | 2. Any retirant who returns to employment with a participating
22 | employer may elect not to receive any retirement benefits while so
23 | reemployed. If such an election is made and reemployment is for a
24 | minimum period of thirty-six (36) consecutive months, all service

1 accumulated from date of reemployment shall be participating
2 service. For purposes of determining the retirement benefits of
3 such a member upon the termination of such reemployment all
4 creditable service of the member shall be computed based on the
5 benefit formula applicable at the time of termination of such
6 reemployment. Provided, a retirant who became reemployed prior to
7 July 1, 1982, and who is reemployed for a minimum of thirty-six (36)
8 consecutive months shall have all the creditable service of such
9 retirant computed based on the benefit formula applicable at the
10 time of termination of such reemployment if the retirant elects not
11 to receive retirement benefits prior to such termination of
12 reemployment. A retirant who has waived receipt of the monthly
13 benefit, but is not reemployed for the full thirty-six (36)
14 consecutive months, shall upon termination of such reemployment have
15 only the additional amount added to his or her benefit as if they
16 had not waived the benefit as provided in paragraph 1 of this
17 subsection.

18 3. All post-retirement additional benefits shall be calculated
19 using actual hours worked as well as the actual compensation
20 received and upon which contributions are paid. Post-retirement
21 service is not subject to the partial year round-up provisions of
22 subsection C of Section 913 of this title.

23 4. A retired member who returns to work for a participating
24 employer pursuant to this section shall be bound by the election

1 made pursuant to paragraph (2) of subsection A of Section 915 of
 2 this title if the member had made such election prior to retirement.
 3 If the member had not made such election prior to retirement, the
 4 member may do so during the member's reemployment with a
 5 participating employer pursuant to this section.

6 5. If an elected official has retired from the System with a
 7 gross annual retirement benefit in excess of the elected official's
 8 final average salary as an elected official and the retired member
 9 is elected to or appointed to any other public office after the date
 10 the member retires, the retired elected official shall be subject to
 11 the requirements of this subsection with respect to the maximum
 12 compensation the official may receive after retirement without
 13 regard to the age of the retired member.

14 F. Any member may elect to retire before his or her normal
 15 retirement date on the first day of any month coinciding with or
 16 following the attainment of age fifty-five (55), provided such
 17 member has completed ten (10) years of participating service, but in
 18 no event before six (6) months after the entry date. Any member who
 19 shall retire before the normal retirement date shall receive an
 20 annual retirement benefit adjusted in accordance with the following
 21 percentage schedule:

Age	Percentage of Normal Retirement Benefit
62	100.00%

1	61	93.33%
2	60	86.67%
3	59	80.00%
4	58	73.33%
5	57	66.67%
6	56	63.33%
7	55	60.00%

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

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

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