

STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

HOUSE BILL 3152

By: Derby

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; requiring payment of actuarial cost for certain service credit; 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.

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

17 C. The election on participation in the System must be in
18 writing, must specify the percent of contributions chosen, and must
19 be filed with the System within ninety (90) days after the elected
20 official takes office. The election is irrevocable. Reelection to
21 the same office will not permit a new election. Failure of an
22 elected official to file such election form within the ninety-day
23 period shall be deemed an irrevocable election to participate in the
24 System at the maximum contribution percentage. Any currently

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

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

20	Percent of	Computation	Alternate
21	Contribution	Factor	Formula
22	4 1/2%	019	\$12.50
23	6%	025	\$20.00
24	7 1/2%	030	\$25.00

1	8 1/2%	034	\$27.50
2	9%	036	\$30.00
3	10%	040	\$40.00

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

14		Percentage of Normal
15	Age	Retirement Benefits
16	60	100%
17	59	94%
18	58	88%
19	57	82%
20	56	76%
21	55	70%

22 ~~C.~~ E. Any elected official shall receive annual benefits
23 computed based upon the computation factor selected multiplied by
24 the member's highest annual compensation received as an elected

1 official prior to retirement or termination of employment; provided,
2 no elected official shall retire using such highest annual
3 compensation unless the elected official has made the required
4 election and has paid the required contributions on such salary,
5 multiplied by the number of years of credited service, that has been
6 credited to the member in accordance with the provisions of this
7 section.

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

14 ~~D.~~ F. Any elected official making an election to participate at
15 a contribution percent less than the maximum and later selecting a
16 higher rate shall contribute to the System a sum equal to the amount
17 which he would have contributed if he had made such election at the
18 time he first became eligible, plus interest as determined by the
19 Board, in order to receive the additional benefits for all service
20 as an elected official; otherwise, the additional benefits shall be
21 applicable only to service for which the elected official pays the
22 appropriate percent of contributions to the System. Any elected
23 official who did not elect to participate and later elects to
24 participate prior to December 1, 1999, may receive credit for those

1 years of service accumulated by the member as an elected official if
2 the member is not receiving or eligible to receive retirement credit
3 or benefits from said service in any public retirement system. To
4 receive this service credit, the member shall pay the amount
5 determined by the Board pursuant to Section 913.5 of this title.

6 ~~F.~~ G. An elected official who has a vested benefit on July 1,
7 1982, may elect to receive benefits based upon a higher contribution
8 rate than the official previously contributed by paying to the
9 System the contributions, plus interest as determined by the Board,
10 due at the higher rate as if that rate had been in effect at the
11 time the official accepted a vested benefit.

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

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

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

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

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

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

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

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24 51-2-8285 MAH 01/04/08