

THE STATE SENATE  
Wednesday, February 17, 2010

Senate Bill No. 1889  
As Amended

SB 1889

SENATE BILL NO. 1889 - By: Stanislawski of the Senate and Sullivan of the House.

An Act relating to retirement; amending 74 O.S. 2001, Sections 902, as last amended by Section 134, Chapter 1, O.S.L. 2005, 913.4, as last amended by Section 1, Chapter 105, O.S.L. 2008 and 914, as last amended by Section 9, Chapter 415, O.S.L. 2008 (74 O.S. Supp. 2009, Sections 902, 913.4 and 914), which relate to the Oklahoma Public Employees Retirement System; modifying definition; clarifying terminology; deleting obsolete language; modifying contribution rates available for certain elected officials after certain date; clarifying certain period for which a retiree may not be reemployed; amending 20 O.S. 2001, Section 1102, as last amended by Section 1, Chapter 464, O.S.L. 2005 (20 O.S. Supp. 2009, Section 1102), which relates to the Uniform Retirement System for Justices and Judges; clarifying members of the Uniform Retirement System for Justices and Judges; modifying procedure for notification of retirement; deleting obsolete language; modifying offices for which retirement benefit may be suspended; repealing 20 O.S. 2001, Section 1102.1, which relates to suspension of retirement compensation under certain circumstances; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 902, as last amended by Section 134, Chapter 1, O.S.L. 2005 (74 O.S. Supp. 2009, Section 902), is amended to read as follows:

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

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

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

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

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

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

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

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

19 (8) "Board" means the Oklahoma Public Employees Retirement  
20 System Board of Trustees;

21 (9) "Compensation" means all salary and wages, as defined by  
22 the Board of Trustees, including amounts deferred under deferred  
23 compensation agreements entered into between a member and a

1 participating employer, but exclusive of payment for overtime,  
2 payable to a member of the System for personal services performed  
3 for a participating employer but shall not include compensation or  
4 reimbursement for traveling, or moving expenses, or any compensation  
5 in excess of the maximum compensation level, provided:

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

9 For compensation for service on or after January 1,  
10 1988, through June 30, 1994, the maximum compensation  
11 level shall be Forty Thousand Dollars (\$40,000.00) per  
12 annum.

13 For compensation for service on or after July 1, 1994,  
14 through June 30, 1995, the maximum compensation level  
15 shall be Fifty Thousand Dollars (\$50,000.00) per  
16 annum; for compensation for service on or after July  
17 1, 1995, through June 30, 1996, the maximum  
18 compensation level shall be Sixty Thousand Dollars  
19 (\$60,000.00) per annum; for compensation for service  
20 on or after July 1, 1996, through June 30, 1997, the  
21 maximum compensation level shall be Seventy Thousand  
22 Dollars (\$70,000.00) per annum; and for compensation  
23 for service on or after July 1, 1997, through June 30,

1 1998, the maximum compensation level shall be Eighty  
2 Thousand Dollars (\$80,000.00) per annum. For  
3 compensation for services on or after July 1, 1998,  
4 there shall be no maximum compensation level for  
5 retirement purposes.

6 (b) Compensation for retirement purposes shall include any  
7 amount of elective salary reduction under Section 457  
8 of the Internal Revenue Code of 1986 and any amount of  
9 ~~non-elective~~ nonelective salary reduction under  
10 Section 414(h) of the Internal Revenue Code of 1986.

11 (c) Notwithstanding any provision to the contrary, the  
12 compensation taken into account for any employee in  
13 determining the contribution or benefit accruals for  
14 any plan year is limited to the annual compensation  
15 limit under Section 401(a)(17) of the federal Internal  
16 Revenue Code.

17 (d) Current appointed members of the Oklahoma Tax  
18 Commission whose salary is constitutionally limited  
19 and is less than the highest salary allowed by law for  
20 his or her position shall be allowed, within ninety  
21 (90) days from the effective date of this act, to make  
22 an election to use the highest salary allowed by law  
23 for the position to which the member was appointed for

1           the purposes of making contributions and determination  
2           of retirement benefits. Such election shall be  
3           irrevocable and be in writing. ~~Re-appointment~~  
4           Reappointment to the same office shall not permit a  
5           new election. Members appointed to the Oklahoma Tax  
6           Commission after the effective date of this act shall  
7           make such election, pursuant to this subparagraph,  
8           within ninety (90) days of taking office;

9           (10) "Credited service" means the sum of participating service,  
10          prior service and elected service;

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

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

16          (13) "Eligible employer" means the state and any county, county  
17          hospital, city or town, conservation districts, circuit engineering  
18          districts and any public or private trust in which a county, city or  
19          town participates and is the primary beneficiary is to be an  
20          eligible employer for the purpose of this act only, whose employees  
21          are covered by Social Security and are not covered by or eligible  
22          for another retirement plan authorized under the laws of this state  
23          which is in operation on the initial entry date. Emergency medical

1 service districts may join the System upon proper application to the  
2 Board. Provided affiliation by a county hospital shall be in the  
3 form of a resolution adopted by the board of control.

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

13 (b) A class or several classes of employees who are  
14 covered by Social Security and are not covered by or  
15 eligible for and will not become eligible for another  
16 retirement plan authorized under the laws of this  
17 state, which is in operation on the effective date,  
18 and when the qualifications for employment in such  
19 class or classes are set by state law; and when such  
20 class or classes of employees are employed by a county  
21 or municipal government pursuant to such  
22 qualifications; and when the services provided by such  
23 employees are of such nature that they qualify for

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

1 (c) All employees of the George Nigh Rehabilitation  
2 Institute who elected to retain membership in the  
3 System, pursuant to Section 913.7 of this title, shall  
4 continue to be eligible employees for the purposes of  
5 this act. The George Nigh Rehabilitation Institute  
6 shall be considered a participating employer only for  
7 such employees.

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

15 (14) "Employee" means any officer or employee of a  
16 participating employer, whose employment is not seasonal or  
17 temporary and whose employment requires at least one thousand  
18 (1,000) hours of work per year and whose salary or wage is equal to  
19 the hourly rate of the monthly minimum wage for state employees.  
20 For those eligible employers outlined in Section 910 of this title,  
21 the rate shall be equal to the hourly rate of the monthly minimum  
22 wage for that employer. Each employer, whose minimum wage is less  
23 than the state's minimum wage, shall inform the System of the

1 minimum wage for that employer. This notification shall be by  
2 resolution of the governing body.

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

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

9 (c) It shall be mandatory for an officer, appointee or  
10 employee of the office of district attorney to become  
11 a member of this System if he or she is not currently  
12 participating in a county retirement system. Provided  
13 further, that if an officer, appointee or employee of  
14 the office of district attorney is currently  
15 participating in such county retirement system, he or  
16 she is ineligible for this System as long as he or she  
17 is eligible for such county retirement system. Any  
18 eligible officer, appointee or employee of the office  
19 of district attorney shall be given credit for prior  
20 service as defined in this section. The provisions  
21 outlined in Section 917 of this title shall apply to  
22 those employees who have previously withdrawn their  
23 contributions.

1 (d) Eligibility shall also not include any officer or  
2 employee of the Oklahoma Employment Security  
3 Commission, except for those officers and employees of  
4 the Commission electing to transfer to this System  
5 pursuant to the provisions of Section 910.1 of this  
6 title or any other class of officers or employees  
7 specifically exempted by the laws of this state,  
8 unless there be a consolidation as provided by Section  
9 912 of this title. Employees of the Oklahoma  
10 Employment Security Commission who are ineligible for  
11 enrollment in the Employment Security Commission  
12 Retirement Plan, that was in effect on January 1,  
13 1964, shall become members of this System.

14 (e) Any employee employed by the Legislative Service  
15 Bureau, State Senate or House of Representatives for  
16 the full duration of a regular legislative session  
17 shall be eligible for membership in the System  
18 regardless of classification as a temporary employee  
19 and may participate in the System during the regular  
20 legislative session at the option of the employee.  
21 For purposes of this subparagraph, the determination  
22 of whether an employee is employed for the full  
23 duration of a regular legislative session shall be

1           made by the Legislative Service Bureau if such  
2           employee is employed by the Legislative Service  
3           Bureau, the State Senate if such employee is employed  
4           by the State Senate, or by the House of  
5           Representatives if such employee is employed by the  
6           House of Representatives. Each regular legislative  
7           session during which the legislative employee or an  
8           employee of the Legislative Service Bureau  
9           participates full time shall be counted as six (6)  
10          months of full-time participating service.

- 11          (i) Except as otherwise provided by this  
12                subparagraph, once a temporary session employee  
13                makes a choice to participate or not, the choice  
14                shall be binding for all future legislative  
15                sessions during which the employee is employed.
- 16          (ii) Notwithstanding the provisions of division (i) of  
17                this subparagraph, any employee, who is eligible  
18                for membership in the System because of the  
19                provisions of this subparagraph and who was  
20                employed by the State Senate or House of  
21                Representatives after January 1, 1989, may file  
22                an election, in a manner specified by the Board,

1 to participate as a member of the System prior to  
2 September 1, 1989.

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

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

- 1           a.    the member files an election with the System  
2                   not later than December 31, 2000, to  
3                   purchase the prior service; and
- 4           b.    the member makes payment to the System of  
5                   the actuarial cost of the service credit  
6                   pursuant to subsection A of Section 913.5 of  
7                   this title. The provisions of Section 913.5  
8                   of this title shall be applicable to the  
9                   purchase of the service credit, including  
10                  the provisions for determining service  
11                  credit in the event of incomplete payment  
12                  due to cessation of payments, death,  
13                  termination of employment or retirement, but  
14                  the payment may extend for a period not to  
15                  exceed ninety-six (96) months;

16           (15) "Entry date" means the date on which an eligible employer  
17 joins the System. The first entry date pursuant to Section 901 et  
18 seq. of this title shall be January 1, 1964;

19           (16) "Executive Director" means the managing officer of the  
20 System employed by the Board under Section 901 et seq. of this  
21 title;

1           (17) "Federal Internal Revenue Code" means the federal Internal  
2 Revenue Code of 1954 or 1986, as amended and as applicable to a  
3 governmental plan as in effect on July 1, 1999;

4           (18) "Final average compensation" means the average annual  
5 compensation, including amounts deferred under deferred compensation  
6 agreements entered into between a member and a participating  
7 employer, up to, but not exceeding the maximum compensation levels  
8 as provided in paragraph (9) of this section received during the  
9 highest three (3) of the last ten (10) years of participating  
10 service immediately preceding retirement or termination of  
11 employment. Provided, no member shall retire with a final average  
12 compensation unless the member has made the required contributions  
13 on such compensation, as defined by the Board of Trustees;

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

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

21           (21) "Leave of absence" means a period of absence from  
22 employment without pay, authorized and approved by the employer and

1 acknowledged to the Board, and which after the effective date does  
2 not exceed two (2) years;

3 (22) "Member" means an eligible employee or elected official  
4 who is in the System and is making the required employee or elected  
5 official contributions, or any former employee or elected official  
6 who shall have made the required contributions to the System and  
7 shall have not received a refund or withdrawal;

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

13 (a) during the following periods, including the beginning  
14 and ending dates, and only for the periods served,  
15 from:

16 (i) April 6, 1917, to November 11, 1918, commonly  
17 referred to as World War I,

18 (ii) September 16, 1940, to December 7, 1941, as a  
19 member of the 45th Division,

20 (iii) December 7, 1941, to December 31, 1946, commonly  
21 referred to as World War II,

- 1 (iv) June 27, 1950, to January 31, 1955, commonly  
2 referred to as the Korean Conflict or the Korean  
3 War,
- 4 (v) February 28, 1961, to May 7, 1975, commonly  
5 referred to as the Vietnam era, except that:
- 6 a. for the period from February 28, 1961, to  
7 August 4, 1964, military service shall only  
8 include service in the Republic of Vietnam  
9 during that period, and
- 10 b. for purposes of determining eligibility for  
11 education and training benefits, such period  
12 shall end on December 31, 1976, or
- 13 (vi) August 1, 1990, to December 31, 1991, commonly  
14 referred to as the Gulf War, the Persian Gulf  
15 War, or Operation Desert Storm, but excluding any  
16 person who served on active duty for training  
17 only, unless discharged from such active duty for  
18 a service-connected disability;
- 19 (b) during a period of war or combat military operation  
20 other than a conflict, war or era listed in  
21 subparagraph (a) of this paragraph, beginning on the  
22 date of Congressional authorization, Congressional  
23 resolution, or Executive Order of the President of the

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

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

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

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

6           (b) for any person who initially became a member prior to  
7           July 1, 1992, the first day of the month coinciding  
8           with or following the date at which the sum of a  
9           member's age and number of years of credited service  
10          total eighty (80); such a normal retirement date will  
11          also apply to any person who became a member of the  
12          sending system as defined in Section 901 et seq. of  
13          this title, prior to July 1, 1992, regardless of  
14          whether there were breaks in service after July 1,  
15          1992,

16          (c) for any person who became a member after June 30,  
17          1992, the first day of the month coinciding with or  
18          following the date at which the sum of a member's age  
19          and number of years of credited service total ninety  
20          (90),

21          (d) in addition to subparagraphs (a), (b) and (c) of this  
22          paragraph, the first day of the month coinciding with

1 or following a member's completion of at least twenty  
2 (20) years of full-time-equivalent employment as:  
3 (i) a correctional or probation and parole officer  
4 with the Department of Corrections and at the  
5 time of retirement, the member was a correctional  
6 or probation and parole officer with the  
7 Department of Corrections, or  
8 (ii) a correctional officer, probation and parole  
9 officer or fugitive apprehension agent with the  
10 Department of Corrections who is in such position  
11 on June 30, 2004, or who is hired after June 30,  
12 2004, and who receives a promotion or change in  
13 job classification after June 30, 2004, to  
14 another position in the Department of  
15 Corrections, so long as such officer or agent has  
16 at least five (5) years of service as a  
17 correctional officer, probation and parole  
18 officer or fugitive apprehension agent with the  
19 Department, has twenty (20) years of full-time-  
20 equivalent employment with the Department and was  
21 employed by the Department at the time of  
22 retirement, or

1 (iii) a firefighter with the Oklahoma Military  
2 Department either employed for the first time on  
3 or after July 1, 2002, or who was employed prior  
4 to July 1, 2002, in such position and who makes  
5 the election authorized by division (2) of  
6 subparagraph b of paragraph (8) of subsection A  
7 of Section 915 of this title and at the time of  
8 retirement, the member was a firefighter with the  
9 Oklahoma Military Department, and such member has  
10 at least twenty (20) years of credited service  
11 upon which the two and one-half percent (2 1/2%)  
12 multiplier will be used in calculating the  
13 retirement benefit,

14 (e) for those fugitive apprehension agents who retire on  
15 or after July 1, 2002, the first day of the month  
16 coinciding with or following a member's completion of  
17 at least twenty (20) years of full-time-equivalent  
18 employment as a fugitive apprehension agent with the  
19 Department of Corrections and at the time of  
20 retirement, the member was a fugitive apprehension  
21 agent with the Department of Corrections, or

22 (f) for any member who was continuously employed by an  
23 entity or institution within The Oklahoma State System

1 of Higher Education and whose initial employment with  
2 such entity or institution was prior to July 1, 1992,  
3 and who without a break in service of more than thirty  
4 (30) days became employed by an employer participating  
5 in the Oklahoma Public Employees Retirement System,  
6 the first day of the month coinciding with or  
7 following the date at which the sum of the member's  
8 age and number of years of credited service total  
9 eighty (80);

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

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

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

18 (28) "Retirant" or "retiree" means a member who has retired  
19 under the System;

20 (29) "Retirement benefit" means a monthly income with benefits  
21 accruing from the first day of the month coinciding with or  
22 following retirement and ending on the last day of the month in  
23 which death occurs or the actuarial equivalent thereof paid in such

1 manner as specified by the member pursuant to Section 901 et seq. of  
2 this title or as otherwise allowed to be paid at the discretion of  
3 the Board;

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

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

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

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

16 (34) "Elected official" means a person elected to a state  
17 office in the legislative or executive branch of state government or  
18 a person elected to a county office for a definite number of years  
19 and shall include an individual who is appointed to fill the  
20 unexpired term of an elected state official;

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

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

4 SECTION 2. AMENDATORY 74 O.S. 2001, Section 913.4, as  
 5 last amended by Section 1, Chapter 105, O.S.L. 2008 (74 O.S. Supp.  
 6 2009, Section 913.4), is amended to read as follows:

7 Section 913.4 A. 1. An elected official may elect to  
 8 participate in the System and if he or she elects to do so shall  
 9 have the option of ~~contributing~~ participating at any one of the  
 10 ~~below listed contribution rates~~ computation factors set forth in  
 11 paragraphs 3 or 4 of this subsection and will receive retirement  
 12 benefits in accordance with the ~~contribution rate~~ computation factor  
 13 chosen. The election on participation in the System must be in  
 14 writing, must specify the ~~percent of contributions~~ computation  
 15 factor chosen, and must be filed with the System within ninety (90)  
 16 days after the elected official takes office. The election to  
 17 participate and the election of a ~~contribution rate~~ computation  
 18 factor shall be irrevocable. Reelection to the same office will not  
 19 permit new elections. Failure of an elected official to file such  
 20 election form within the ninety-day period shall be deemed an  
 21 irrevocable election to participate in the System at the maximum  
 22 ~~contribution rate.~~ ~~Any currently serving elected official who has~~  
 23 ~~not previously elected to participate in the System on the effective~~

1 ~~date of this act, must make an election on participation in writing,~~  
 2 ~~specifying the contribution rate no later than December 1, 1999.~~  
 3 ~~Failure of a currently serving elected official to file such~~  
 4 ~~election form shall be deemed an irrevocable election to participate~~  
 5 ~~in the System at the maximum contribution rate computation factor.~~

6 2. Contributions and benefits will be based upon ~~his or her~~ the  
 7 elected official's annual compensation as defined in Section 902 of  
 8 this title. Employer and ~~employee~~ elected official contributions  
 9 shall be remitted at least monthly, or as the Board may otherwise  
 10 provide, to the ~~Executive Director~~ System for deposit in the  
 11 Oklahoma Public Employees Retirement Fund. Effective July 1, 1994,  
 12 and thereafter, the participating employer shall contribute as  
 13 provided in Section 920 of this title.

14 ~~Effective~~ 3. Except as provided in paragraph 4 of this  
 15 subsection, effective July 1, 1994, ~~and thereafter, the member~~  
 16 ~~contributions and the computation factor selected shall be based on~~  
 17 ~~the entire compensation as an elected official subject to the~~  
 18 ~~definition and maximum compensation levels as set forth in paragraph~~  
 19 ~~(9) of Section 902 of this title and~~ the corresponding elected  
 20 official contribution rate shall be as follows:

<u>Elected official</u>	Computation	Alternate
Contribution Rate	Factor	Formula
4 <del>1/2%</del> <u>4.5%</u>	019 <u>1.9%</u>	\$12.50

1	6%	<del>025</del> <u>2.5%</u>	\$20.00
2	<del>7 1/2%</del> <u>7.5%</u>	<del>030</del> <u>3.0%</u>	\$25.00
3	<del>8 1/2%</del> <u>8.5%</u>	<del>034</del> <u>3.4%</u>	\$27.50
4	9%	<del>036</del> <u>3.6%</u>	\$30.00
5	10%	<del>040</del> <u>4.0%</u>	\$40.00

6       4. Elected officials who are first elected or appointed to an  
7 elected office on or after November 1, 2010, shall elect a  
8 computation factor of either 1.9% or 4%. The elected official  
9 contribution rate for the 1.9% computation factor is currently 4.5%  
10 and the contribution rate for the 4% computation factor is currently  
11 10%. All other computation factors and contribution rates set forth  
12 in paragraph 3 of this subsection shall not be available to any  
13 person first elected or appointed to an elected office on or after  
14 November 1, 2010.

15       5. The computation factors and corresponding elected official  
16 contribution rates provided for in paragraphs 3 and 4 of this  
17 subsection shall be based on the entire compensation as an elected  
18 official subject to the definition and maximum compensation levels  
19 as set forth in paragraph (9) of Section 902 of this title.

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

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

7	Percentage of Normal	
8	Age	Retirement Benefits
9	60	100%
10	59	94%
11	58	88%
12	57	82%
13	56	76%
14	55	70%

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

1 ~~credited service, that has been credited to the member in accordance~~  
2 ~~with the provisions of this section.~~

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

9       3. Elected officials who become members of the Oklahoma Public  
10 Employees Retirement System on or after ~~July 1~~ August 22, 2008, will  
11 receive retirement benefits in accordance with the ~~contribution rate~~  
12 ~~and corresponding~~ computation factor selected pursuant to subsection  
13 A of this section multiplied by the member's highest annual  
14 compensation received as an elected official and only for those  
15 years of credited service the member served as an elected official.  
16 If such elected official has participating service as a nonelected  
17 member, then such nonelected service shall be computed separately  
18 pursuant to the provisions of paragraph (1) of subsection A of  
19 Section 915 of this title with the final benefit result added to the  
20 final benefit result for elected service. In no event shall the  
21 elected official be entitled to apply the ~~contribution rate and~~  
22 ~~corresponding~~ computation factor selected pursuant to subsection A

1 of this section or the compensation received as an elected official  
2 to the computation of nonelected service.

3 4. Elected officials who are first elected or appointed to an  
4 elected office on or after ~~July 1~~ August 22, 2008, may not receive a  
5 maximum benefit greater than their single highest annual  
6 compensation received as a member of the Oklahoma Public Employees  
7 Retirement System.

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

1 ~~service credit, the member shall pay the amount determined by the~~  
2 ~~Board pursuant to Section 913.5 of this title.~~

3 ~~E. An elected official who has a vested benefit on July 1,~~  
4 ~~1982, may elect to receive benefits based upon a higher contribution~~  
5 ~~rate than the official previously contributed by paying to the~~  
6 ~~System the contributions, plus interest as determined by the Board,~~  
7 ~~due at the higher rate as if that rate had been in effect at the~~  
8 ~~time the official accepted a vested benefit.~~

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

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

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

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

16        SECTION 3.        AMENDATORY        74 O.S. 2001, Section 914, as last  
17 amended by Section 9, Chapter 415, O.S.L. 2008 (74 O.S. Supp. 2009,  
18 Section 914), is amended to read as follows:

19        Section 914. A. The normal retirement date for a member of the  
20 Oklahoma Public Employees Retirement System shall be as defined in  
21 Section 902 of this title, provided members employed on or after  
22 January 1, 1983, shall have six (6) or more years of full-time-  
23 equivalent employment with a participating employer before receiving

1 any retirement benefits or if the member is a legislative session  
2 employee of the Legislature, shall have three (3) or more years of  
3 full-time-equivalent employment with a participating employer before  
4 receiving any retirement benefits. In no event shall a normal  
5 retirement date for a member be before six (6) months after the  
6 entry date of the participating employer by whom he or she is  
7 employed.

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

16 C. Notice for retirement shall be filed through the retirement  
17 coordinator for the participating employer in such form and manner  
18 as the Board shall prescribe; provided, that such notice for  
19 retirement shall be filed with the office of the retirement system  
20 at least sixty (60) days prior to the date selected for the member's  
21 retirement; provided further, that the Executive Director may waive  
22 the sixty-day notice for good cause shown as defined by the Board.

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

8 E. If a ~~retirant~~ retiree should be elected or appointed to any  
9 position or office for which compensation for service is paid from  
10 levies or taxes imposed by the state or any political subdivision  
11 thereof, the ~~retirant~~ retiree shall not receive any retirement  
12 benefit for any month for which the ~~retirant~~ retiree serves in such  
13 position or office after the ~~retirant~~ retiree has received  
14 compensation in a sum equal to the amount allowable as wages or  
15 earnings by the Social Security Administration in any calendar year,  
16 ~~provided, this.~~ This subsection shall not apply to service rendered  
17 by a ~~retirant~~ retiree as a juror, as a witness in any legal  
18 proceeding or action, as an election board judge or clerk, or in any  
19 other office or position of a similar nature, or to an employer that  
20 is not a participating employer. Provided, further, that any  
21 participating employer who is employing such a ~~retirant~~ retiree  
22 shall make proper written notification to the System informing it of  
23 the beginning date of such ~~retirant's~~ retiree's employment and the

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

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

21 2. Any ~~retirant~~ retiree who returns to employment with a  
22 participating employer may elect not to receive any retirement  
23 benefits while so reemployed. If such an election is made and

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

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

1           4. A retired member who returns to work for a participating  
 2 employer pursuant to this section shall be bound by the election  
 3 made pursuant to paragraph (2) of subsection A of Section 915 of  
 4 this title if the member had made such election prior to retirement.  
 5 If the member had not made such election prior to retirement, the  
 6 member may do so during the member's reemployment with a  
 7 participating employer pursuant to this section. A retired member  
 8 may not be rehired by their former employer, nor may the retired  
 9 member be permitted to enter into an employment contract of any kind  
 10 with a former employer, for a period of one (1) year after ~~retiring~~  
 11 the retired member ended his or her employment with the former  
 12 employer unless the retired member waives his or her benefit under  
 13 paragraph 2 of this subsection and returns as a bona fide employee.

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:

	Percentage of Normal
Age	Retirement Benefit

1	62	100.00%
2	61	93.33%
3	60	86.67%
4	59	80.00%
5	58	73.33%
6	57	66.67%
7	56	63.33%
8	55	60.00%

9 SECTION 4. AMENDATORY 20 O.S. 2001, Section 1102, as  
 10 last amended by Section 1, Chapter 464, O.S.L. 2005 (20 O.S. Supp.  
 11 2009, Section 1102), is amended to read as follows:

12 Section 1102. A. Any Justice or Judge of the Supreme Court,  
 13 Court of Criminal Appeals, Workers' Compensation Court, Court of  
 14 Appeals or District Court who serves as Justice or judge of any of  
 15 said courts in the State of Oklahoma shall be a member of the  
 16 Uniform Retirement System for Justices and Judges. Any such member  
 17 who serves for a period of eight (8) years or longer and upon  
 18 reaching or passing the age of sixty-five (65) years, or who serves  
 19 for a period of ten (10) years or longer and upon reaching or  
 20 passing the age of sixty (60) years, or whose sum of years of  
 21 service and age equal or exceeds eighty (80), after completing eight  
 22 (8) years of judicial service, shall be eligible to receive the  
 23 retirement benefits herein provided, ~~and, if.~~ In determining the

1 periods of time above mentioned a major fraction of a year shall  
2 count as a whole year. If such Justice or judge is still serving in  
3 such capacity when the above requirements are complied with, the  
4 Justice or judge may elect to retire and may elect whether such  
5 retirement shall become effective immediately or at a specified time  
6 within the term of the Justice or judge or at the expiration of the  
7 term of the Justice or judge, ~~by filing.~~ The Justice or judge shall  
8 file a written declaration ~~of the desire of the Justice or judge to~~  
9 ~~retire with the Governor~~ System and the Court Administrator, ~~and the~~  
10 ~~Governor shall endorse approval of the Governor thereon if the~~  
11 ~~conditions herein specified exist. For the purpose of Section 1101~~  
12 ~~et seq. of this title, years to be credited for retirement shall be~~  
13 ~~as follows: Any Justice or judge who, at the time this act was~~  
14 ~~originally passed in 1968, was serving as a Justice or judge of a~~  
15 ~~court that is included in the State Supernumerary Judges Act shall~~  
16 ~~receive credit for retirement under this act for each year said~~  
17 ~~Justice or judge has served in any court of record, and any Justice~~  
18 ~~or judge who, on January 12, 1969, was not serving as a Justice or~~  
19 ~~judge of a court that was included in the State Supernumerary Judges~~  
20 ~~Act shall receive credit for each year of service as a Justice or~~  
21 ~~judge of a court of record, providing that the Justice or judge has~~  
22 ~~served a period of two (2) years after assuming the office as a~~  
23 ~~Justice or judge of one or more of the above mentioned courts, and,~~

1 ~~in determining the periods of time above mentioned, a major fraction~~  
2 ~~of a year shall count as a whole year. Any Justice of the Supreme~~  
3 ~~Court or Judge of the Court of Criminal Appeals, Workers'~~  
4 ~~Compensation Court, Court of Appeals, or District Court, who has not~~  
5 ~~served as a Justice or judge of a court of record of the State of~~  
6 ~~Oklahoma or a court that was a court of record of the State of~~  
7 ~~Oklahoma for a period of eight (8) years, and who on January 13,~~  
8 ~~1969, was a member of the Oklahoma Public Employees Retirement~~  
9 ~~System, or the retirement system of any instrumentality of the~~  
10 ~~state, or the retirement system of any county, shall not be required~~  
11 ~~or permitted to become a member of, or participant in, The Uniform~~  
12 ~~Retirement System for Judges and Justices provided for by Sections~~  
13 ~~1101 - 1107, inclusive, of this title, unless within ninety (90)~~  
14 ~~days after May 7, 1969, the Justice or judge elected to so become~~  
15 ~~and waived or forfeited any right to which the Justice or judge~~  
16 ~~might have been entitled under the Oklahoma Public Employees~~  
17 ~~Retirement System or the retirement system of any instrumentality of~~  
18 ~~the state, or of a county, except the right of a refund of any~~  
19 ~~accumulated contributions of the Justice or judge without interest~~  
20 ~~thereon. No Justice of the Supreme Court or Judge of the Court of~~  
21 ~~Criminal Appeals, Workers' Compensation Court, Court of Appeals, or~~  
22 ~~District Court, who has served as a Justice or judge of a court of~~  
23 ~~record of the State of Oklahoma or a court that was a court of~~

~~1 record of the State of Oklahoma for a period of eight (8) years or~~  
~~2 more prior to January 13, 1969, and who was a member of the Oklahoma~~  
~~3 Public Employees Retirement System or a county retirement system on~~  
~~4 January 12, 1969, and who on January 13, 1969, was a Justice or~~  
~~5 judge in any of the aforementioned courts, shall be required to make~~  
~~6 an election as to which retirement system the Justice or judge shall~~  
~~7 be a member of, and nothing in this act shall be construed so as to~~  
~~8 require any such Justice or judge to forfeit any right to which the~~  
~~9 Justice or judge might be entitled under the Oklahoma Public~~  
~~10 Employees Retirement System or county retirement system to which the~~  
~~11 Justice or judge may have a vested or contractual interest but the~~  
~~12 Justice or judge will be required to participate in The Uniform~~  
~~13 Retirement System for Judges and Justices provided by Sections 1101~~  
~~14 —1107, inclusive, of this title. No Justice or judge of the above—~~  
~~15 mentioned courts shall be eligible to enter the Oklahoma Public~~  
~~16 Employees Retirement System after January 13, 1969 of his or her~~  
~~17 desire to retire. The Court Administrator shall notify the Governor~~  
~~18 within five (5) business days of receiving the Notice of Retirement.~~

~~19 B. Upon approval by the Governor filing of an election ~~of~~ by~~  
~~20 any Justice or judge to retire as authorized by Section 1101 et seq.~~  
~~21 of this title, the office held by such Justice or judge shall become~~  
~~22 vacated immediately or at the specified time within the term of the~~  
~~23 Justice or judge, or at the expiration of the term of the Justice or~~

1 judge in accordance with the election of the Justice or judge  
 2 desiring retirement status, ~~and any.~~ Any such vacancy so created  
 3 shall be filled in the manner provided by law and the Constitution.  
 4 ~~Provided, however, if~~

5 C. If any retired ~~Justice or judge~~ member of the System should  
 6 be elected or appointed to any ~~political or judicial~~ or other office  
 7 covered by the System, the retirement compensation of the ~~Justice or~~  
 8 ~~judge~~ retired member shall be suspended during the period of time  
 9 that the ~~Justice or judge~~ retired member holds such office and be  
 10 reinstated upon leaving such office. Notwithstanding any other  
 11 provision of this section or any other provision of law to the  
 12 contrary, a retired Justice or judge shall be permitted to be  
 13 employed by any college or university within The Oklahoma State  
 14 System of Higher Education as a full-time or part-time member of the  
 15 faculty or as a teacher in any common school or career and  
 16 technology education entity without suspension of retirement  
 17 benefits.

18 SECTION 5. REPEALER 20 O.S. 2001, Section 1102.1, is  
 19 hereby repealed.

20 SECTION 6. This act shall become effective November 1, 2010.

21 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT & INSURANCE, dated  
 22 2-11-10 - DO PASS, As Amended and Coauthored.