

STATE OF OKLAHOMA

2nd Session of the 52nd Legislature (2010)

SENATE BILL 1718

By: Ellis

AS INTRODUCED

An Act relating to retirement; amending 74 O.S. 2001, Sections 902, as last amended by Section 134, Chapter 1, O.S.L. 2005, 915, as last amended by Section 138, Chapter 1, O.S.L. 2005 and 919.1, as last amended by Section 34, Chapter 46, 2nd Extraordinary Session, O.S.L. 2006 (74 O.S. Supp. 2009, Sections 902, 915 and 919.1), which relate to the Oklahoma Public Employees Retirement System; modifying normal retirement date for certain members; specifying retirement benefits for certain Corporation Commission employees; allowing certain Corporation Commission employees to make certain irrevocable election by certain date; requiring certain payment; modifying employee contributions for certain Corporation Commission employees; 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 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) "System" means the Oklahoma Public Employees Retirement System as established by this act and as it may hereafter be amended;

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

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

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

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

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

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

16 (8) "Board" means the Oklahoma Public Employees Retirement  
17 System Board of Trustees;

18 (9) "Compensation" means all salary and wages, as defined by  
19 the Board of Trustees, including amounts deferred under deferred  
20 compensation agreements entered into between a member and a  
21 participating employer, but exclusive of payment for overtime,  
22 payable to a member of the System for personal services performed  
23 for a participating employer but shall not include compensation or  
24

1 reimbursement for traveling, or moving expenses, or any compensation  
2 in excess of the maximum compensation level, provided:

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

6 For compensation for service on or after January 1,  
7 1988, through June 30, 1994, the maximum compensation  
8 level shall be Forty Thousand Dollars (\$40,000.00) per  
9 annum.

10 For compensation for service on or after July 1, 1994,  
11 through June 30, 1995, the maximum compensation level  
12 shall be Fifty Thousand Dollars (\$50,000.00) per  
13 annum; for compensation for service on or after July  
14 1, 1995, through June 30, 1996, the maximum  
15 compensation level shall be Sixty Thousand Dollars  
16 (\$60,000.00) per annum; for compensation for service  
17 on or after July 1, 1996, through June 30, 1997, the  
18 maximum compensation level shall be Seventy Thousand  
19 Dollars (\$70,000.00) per annum; and for compensation  
20 for service on or after July 1, 1997, through June 30,  
21 1998, the maximum compensation level shall be Eighty  
22 Thousand Dollars (\$80,000.00) per annum. For  
23 compensation for services on or after July 1, 1998,  
24

1           there shall be no maximum compensation level for  
2           retirement purposes.

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

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

14          (d) Current appointed members of the Oklahoma Tax  
15          Commission whose salary is constitutionally limited  
16          and is less than the highest salary allowed by law for  
17          his or her position shall be allowed, within ninety  
18          (90) days from the effective date of this act, to make  
19          an election to use the highest salary allowed by law  
20          for the position to which the member was appointed for  
21          the purposes of making contributions and determination  
22          of retirement benefits. Such election shall be  
23          irrevocable and be in writing. ~~Re-appointment~~  
24          Reappointment to the same office shall not permit a

1 new election. Members appointed to the Oklahoma Tax  
2 Commission after the effective date of this act shall  
3 make such election, pursuant to this subparagraph,  
4 within ninety (90) days of taking office;

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

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

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

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

23 (a) If a class or several classes of employees of any  
24 above-defined employers are covered by Social Security

1 and are not covered by or eligible for and will not  
2 become eligible for another retirement plan authorized  
3 under the laws of this state, which is in operation on  
4 the effective date, such employer shall be deemed an  
5 eligible employer, but only with respect to that class  
6 or those classes of employees as defined in this  
7 section.

8 (b) A class or several classes of employees who are  
9 covered by Social Security and are not covered by or  
10 eligible for and will not become eligible for another  
11 retirement plan authorized under the laws of this  
12 state, which is in operation on the effective date,  
13 and when the qualifications for employment in such  
14 class or classes are set by state law; and when such  
15 class or classes of employees are employed by a county  
16 or municipal government pursuant to such  
17 qualifications; and when the services provided by such  
18 employees are of such nature that they qualify for  
19 matching by or contributions from state or federal  
20 funds administered by an agency of state government  
21 which qualifies as a participating employer, then the  
22 agency of state government administering the state or  
23 federal funds shall be deemed an eligible employer,  
24 but only with respect to that class or those classes

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

17 (c) All employees of the George Nigh Rehabilitation  
18 Institute who elected to retain membership in the  
19 System, pursuant to Section 913.7 of this title, shall  
20 continue to be eligible employees for the purposes of  
21 this act. The George Nigh Rehabilitation Institute  
22 shall be considered a participating employer only for  
23 such employees.

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

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

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

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

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

16 (d) Eligibility shall also not include any officer or  
17 employee of the Oklahoma Employment Security  
18 Commission, except for those officers and employees of  
19 the Commission electing to transfer to this System  
20 pursuant to the provisions of Section 910.1 of this  
21 title or any other class of officers or employees  
22 specifically exempted by the laws of this state,  
23 unless there be a consolidation as provided by Section  
24 912 of this title. Employees of the Oklahoma

1           Employment Security Commission who are ineligible for  
2           enrollment in the Employment Security Commission  
3           Retirement Plan, that was in effect on January 1,  
4           1964, shall become members of this System.

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

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

6 (ii) Notwithstanding the provisions of division (i) of  
7 this subparagraph, any employee, who is eligible  
8 for membership in the System because of the  
9 provisions of this subparagraph and who was  
10 employed by the State Senate or House of  
11 Representatives after January 1, 1989, may file  
12 an election, in a manner specified by the Board,  
13 to participate as a member of the System prior to  
14 September 1, 1989.

15 (iii) Notwithstanding the provisions of division (i) of  
16 this subparagraph, a temporary legislative  
17 session employee who elected to become a member  
18 of the System may withdraw from the System  
19 effective the day said employee elected to  
20 participate in the System upon written request to  
21 the Board. Any such request must be received by  
22 the Board prior to October 1, 1990. All employee  
23 contributions made by the temporary legislative  
24 session employee shall be returned to the

1 employee without interest within four (4) months  
2 of receipt of the written request.

3 (iv) A member of the System who did not initially  
4 elect to participate as a member of the System  
5 pursuant to subparagraph (e) of this paragraph  
6 shall be able to acquire service performed as a  
7 temporary legislative session employee for  
8 periods of service performed prior to the date  
9 upon which the person became a member of the  
10 System if:

- 11 a. the member files an election with the System  
12 not later than December 31, 2000, to  
13 purchase the prior service; and
- 14 b. the member makes payment to the System of  
15 the actuarial cost of the service credit  
16 pursuant to subsection A of Section 913.5 of  
17 this title. The provisions of Section 913.5  
18 of this title shall be applicable to the  
19 purchase of the service credit, including  
20 the provisions for determining service  
21 credit in the event of incomplete payment  
22 due to cessation of payments, death,  
23 termination of employment or retirement, but  
24

1                   the payment may extend for a period not to  
2                   exceed ninety-six (96) months;

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

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

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

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

22           (19) "Fiscal year" means the period commencing July 1 of any  
23 year and ending June 30 of the next year. The fiscal year is the  
24 plan year for purposes of the federal Internal Revenue Code;

1 | however, the calendar year is the limitation year for purposes of  
2 | Section 415 of the federal Internal Revenue Code;

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

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

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

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

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

22 |               (i) April 6, 1917, to November 11, 1918, commonly  
23 |                   referred to as World War I,  
24 |

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

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

17   An eligible member under this paragraph shall include only those  
18   persons who shall have served during the times or in the areas  
19   prescribed in this paragraph, and only if such person provides  
20   appropriate documentation in such time and manner as required by the  
21   System to establish such military service prescribed in this  
22   paragraph, or for service pursuant to subdivision a of division (v)  
23   of subparagraph (a) of this paragraph those persons who were awarded  
24   service medals, as authorized by the United States Department of

1 Defense as reflected in the veteran's Defense Department Form 214,  
2 related to the Vietnam Conflict for service prior to August 5, 1964;

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

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

8 (b) for any person who initially became a member prior to  
9 July 1, 1992, the first day of the month coinciding  
10 with or following the date at which the sum of a  
11 member's age and number of years of credited service  
12 total eighty (80); such a normal retirement date will  
13 also apply to any person who became a member of the  
14 sending system as defined in Section 901 et seq. of  
15 this title, prior to July 1, 1992, regardless of  
16 whether there were breaks in service after July 1,  
17 1992,

18 (c) for any person who became a member after June 30,  
19 1992, the first day of the month coinciding with or  
20 following the date at which the sum of a member's age  
21 and number of years of credited service total ninety  
22 (90),

23 (d) in addition to subparagraphs (a), (b) and (c) of this  
24 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

23 (iii) a firefighter with the Oklahoma Military  
24 Department either employed for the first time on

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

12 (iv) a motor carrier enforcement officer of the  
13 Corporation Commission, as provided for in  
14 Section 172 of Title 47 of the Oklahoma Statutes,  
15 either hired for the first time on or after July  
16 1, 2010, or was hired prior to July 1, 2010, in  
17 such position and who makes the election and  
18 appropriate payments authorized in paragraph (10)  
19 of subsection A of Section 915 of this title and  
20 at the time of retirement, the member was a motor  
21 carrier enforcement officer with the Corporation  
22 Commission, and such member has at least twenty  
23 (20) years of credited service upon which the two  
24

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

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

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

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

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

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

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

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

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

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

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

23 (33) "Service-connected disability benefits" means military  
24 service benefits which are for a service-connected disability rated

1 at twenty percent (20%) or more by the Veterans Administration or  
2 the Armed Forces of the United States;

3 (34) "Elected official" means a person elected to a state  
4 office in the legislative or executive branch of state government or  
5 a person elected to a county office for a definite number of years  
6 and shall include an individual who is appointed to fill the  
7 unexpired term of an elected state official;

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

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

13 SECTION 2. AMENDATORY 74 O.S. 2001, Section 915, as last  
14 amended by Section 138, Chapter 1, O.S.L. 2005 (74 O.S. Supp. 2009,  
15 Section 915), is amended to read as follows:

16 Section 915. A. (1) Except as otherwise provided in this  
17 subsection and as provided for elected officials in Section 913.4 of  
18 this title, any member who shall retire on or after the member's  
19 normal retirement date shall be entitled to receive an annual  
20 retirement benefit equal to two percent (2%) of the member's final  
21 average compensation as determined pursuant to paragraph (18) of  
22 Section 902 of this title, multiplied by the number of years of  
23 credited service that has been credited to the member in accordance  
24

1 with the provisions of Section 913 of this title other than years  
2 credited pursuant to paragraph (2) of this subsection.

3 (2) Effective January 1, 2004, except as otherwise provided for  
4 elected officials in Section 913.4 of this title and except for  
5 those members making contributions pursuant to paragraphs (c), (d)  
6 and (e) of subsection (1) of Section 919.1 of this title, any member  
7 who shall retire shall be entitled to receive an annual retirement  
8 benefit equal to two and one-half percent (2 1/2%) of the member's  
9 final average compensation as determined pursuant to paragraph (18)  
10 of Section 902 of this title, multiplied by the number of full years  
11 of participating service after January 1, 2004, that have been  
12 credited to the member in accordance with the provisions of Section  
13 913 of this title and only for those full years of participating  
14 service for which contributions have been made pursuant to paragraph  
15 (f) of subsection (1) of Section 919.1 of this title. The two and  
16 one-half percent (2 1/2%) multiplier shall not apply to purchased  
17 service, purchased or granted military service or transferred  
18 service. In order to receive the two and one-half percent (2 1/2%)  
19 multiplier in computing retirement benefits, an active member shall  
20 make an irrevocable written election to pay the contributions  
21 pursuant to paragraph (f) of subsection (1) of Section 919.1 of this  
22 title. The two and one-half percent (2 1/2%) multiplier pursuant to  
23 this paragraph shall not apply to additional years of service credit  
24 attributed to sick leave pursuant to paragraph 7 of subsection B of

1 Section 913 of this title and fractional years pursuant to  
2 subsection C of Section 913 of this title and shall be attributable  
3 only to the participating service credited after the election of the  
4 member.

5 (3) The minimum final average compensation for any person who  
6 becomes a member of the System on or after July 1, 1995:

7 a. and who had twenty (20) or more years of credited  
8 service within the System as of the member's  
9 retirement date shall be no less than Thirteen  
10 Thousand Eight Hundred Dollars (\$13,800.00) per annum,

11 b. and who had at least fifteen (15) but not more than  
12 nineteen (19) years of credited service within the  
13 System as of the member's retirement date shall be no  
14 less than Six Thousand Nine Hundred Dollars  
15 (\$6,900.00) per annum,

16 c. and who had less than fifteen (15) years of credited  
17 service within the System as of the member's  
18 retirement date shall not be eligible for any minimum  
19 amount of final average compensation and the member's  
20 final average compensation shall be the final average  
21 compensation as defined by paragraph (18) of Section  
22 902 of this title,

23 (4) Provided, further, any member who has elected a vested  
24 benefit pursuant to Section 917 of this title shall be entitled to

1 receive benefits as outlined in this section except the percent  
2 factor and the member's maximum compensation level in effect the  
3 date the member's employment was terminated with a participating  
4 employer shall be applicable.

5 (5) Any member who is a correctional officer or a probation and  
6 parole officer employed by the Department of Corrections at the time  
7 of retirement and who retires on or before June 30, 2000, shall be  
8 entitled to receive an annual retirement benefit equal to two and  
9 one-half percent (2 1/2%) of the final average compensation of the  
10 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and  
11 two percent (2%) of the final average salary in excess of Twenty-  
12 five Thousand Dollars (\$25,000.00) but not exceeding the maximum  
13 compensation level as provided in paragraph (9) of Section 902 of  
14 this title, multiplied by the number of years of service as a  
15 correctional officer or a probation and parole officer, provided,  
16 any years accrued prior to July 1, 1990, as a correctional officer  
17 or a probation and parole officer by a member who is employed as a  
18 correctional officer or a probation and parole officer on July 1,  
19 1990, shall be calculated for retirement purposes at two and one-  
20 quarter percent (2 1/4%) of the final average compensation of the  
21 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and  
22 two percent (2%) of the final average salary in excess of Twenty-  
23 five Thousand Dollars (\$25,000.00) but not exceeding the maximum  
24 compensation level as provided in paragraph (9) of Section 902 of

1 this title, multiplied by the number of years of such service and  
2 any years in excess of twenty (20) years as such an officer or years  
3 credited to the member in accordance with the provisions of Section  
4 913 of this title shall be calculated for retirement purposes at two  
5 percent (2%) of the final average compensation of the member  
6 multiplied by the number of years of such service. Any person who  
7 contributes to the System as a correctional officer or a probation  
8 and parole officer as provided in paragraph (c) of subsection (1) of  
9 Section 919.1 of this title, on or before June 30, 2000, but who  
10 does not make such contributions after June 30, 2000, and who does  
11 not qualify for normal retirement under subparagraph (c) of  
12 paragraph (24) of Section 902 of this title shall have retirement  
13 benefits for each year of full-time-equivalent participating service  
14 as a correctional or a probation and parole officer after July 1,  
15 1990, computed on two and one-half percent (2 1/2%) of the final  
16 average compensation based upon those years as a correctional  
17 officer or a probation and parole officer. Provided, further, any  
18 fugitive apprehension agent shall be entitled to receive benefits as  
19 outlined in this act for service as a fugitive apprehension agent  
20 prior to July 1, 2002, only upon payment to the System of the  
21 employee contributions which would have been paid if such fugitive  
22 apprehension agent had been covered by this section prior to the  
23 effective date of this act, plus interest of not to exceed ten  
24 percent (10%) as determined by the Board. The Department of

1 Corrections may make the employee contribution and interest payment  
2 on behalf of such member.

3 (6) Any member who is a correctional officer, a probation and  
4 parole officer or a fugitive apprehension agent employed by the  
5 Department of Corrections at the time of retirement and who retires  
6 on or after July 1, 2002, shall be entitled to receive an annual  
7 retirement benefit equal to two and one-half percent (2 1/2%) of the  
8 final average compensation of the member, but not exceeding the  
9 maximum compensation level as provided in paragraph (18) of Section  
10 902 of this title, multiplied by the number of years of service as a  
11 correctional officer, a probation and parole officer or a fugitive  
12 apprehension agent, and any years in excess of twenty (20) years as  
13 such an officer or agent, or years credited to the member in  
14 accordance with the provisions of Section 913 of this title, shall  
15 be calculated for retirement purposes at two percent (2%) of the  
16 final average compensation of the member multiplied by the number of  
17 years of such service. For purposes of this paragraph, "final  
18 average compensation" shall be determined by computing the average  
19 annual salary, in the manner prescribed by paragraph (18) of Section  
20 902 of this title, for the highest three (3) years of the last ten  
21 (10) years of participating service immediately preceding retirement  
22 or termination of employment for all years of service performed by  
23 such member, both for years of service performed as a correctional  
24 officer, probation and parole officer or fugitive apprehension

1 agent, not in excess of twenty (20) years, and for years of service  
2 performed in excess of twenty (20) years, whether as a correctional  
3 officer, probation and parole officer, fugitive apprehension agent  
4 or other position unless the computation of benefits would result in  
5 a lower retirement benefit amount than if final average compensation  
6 were to be computed as otherwise provided by this paragraph.

7 (7) Any member who is a correctional officer, a probation and  
8 parole officer or a fugitive apprehension agent who has at least  
9 five (5) years of service as a correctional officer, a probation and  
10 parole officer or a fugitive apprehension agent who is in such  
11 position on June 30, 2004, or who is hired after June 30, 2004, in  
12 such position, and who receives a promotion or change in job  
13 classification after June 30, 2004, to another position in the  
14 Department of Corrections, and who is employed by the Department of  
15 Corrections at the time of retirement and who retires on or after  
16 July 1, 2004, shall be entitled to receive an annual retirement  
17 benefit equal to two and one-half percent (2 1/2%) of the final  
18 average compensation of the member, but not exceeding the maximum  
19 compensation level as provided in paragraph (18) of Section 902 of  
20 this title, multiplied by the number of years of service with the  
21 Department of Corrections and any years in excess of twenty (20)  
22 years with the Department or years credited to the member in  
23 accordance with the provisions of Section 913 of this title, shall  
24 be calculated for retirement purposes at two percent (2%) of the

1 final average compensation of the member multiplied by the number of  
2 years of such service. For purposes of this paragraph, "final  
3 average compensation" shall be determined by computing the average  
4 annual salary, in the manner prescribed by paragraph (18) of Section  
5 902 of this title, for the highest three (3) years of the last ten  
6 (10) years of participating service immediately preceding retirement  
7 or termination of employment for all years of service performed by  
8 such member with the Department.

9 (8) Any person who contributed to the System as a correctional  
10 officer, a probation and parole officer or a fugitive apprehension  
11 agent as provided in paragraphs (c) or (d) of subsection (1) of  
12 Section 919.1 of this title, and who retires under normal retirement  
13 or early retirement on or after January 1, 2004, under paragraph  
14 (24) of Section 902 of this title shall have retirement benefits for  
15 each year of full-time-equivalent participating service as a  
16 correctional officer, a probation and parole officer or a fugitive  
17 apprehension agent, computed on two and one-half percent (2 1/2%) of  
18 the final average compensation based upon those years as a  
19 correctional officer, a probation and parole officer or a fugitive  
20 apprehension agent. For purposes of this paragraph, "final average  
21 compensation" shall be determined by computing the average annual  
22 salary, in the manner prescribed by paragraph (18) of Section 902 of  
23 this title, for the highest three (3) years of the last ten (10)  
24 years of participating service immediately preceding retirement or

1 termination of employment for all years of service performed by such  
2 member, both for years of service performed as a correctional  
3 officer, probation and parole officer or fugitive apprehension  
4 agent, not in excess of twenty (20) years, and for years of service  
5 performed in excess of twenty (20) years, whether as a correctional  
6 officer, probation and parole officer, fugitive apprehension agent  
7 or other position unless the computation of benefits would result in  
8 a lower retirement benefit amount than if final average compensation  
9 were to be computed as otherwise provided by this paragraph.

10 (9) Any member who is:

- 11 a. initially on or after July 1, 2002, employed as a  
12 firefighter for the Oklahoma Military Department and  
13 who retires on or after the member's normal retirement  
14 date shall be entitled to receive an annual retirement  
15 benefit equal to two and one-half percent (2 1/2%) of  
16 the final average compensation of the member  
17 multiplied by the number of years of service in such  
18 service,
- 19 b. (1) a firefighter who performs firefighting services  
20 for the Oklahoma Military Department prior to  
21 July 1, 2002, and who makes an election in  
22 writing on a form prescribed for this purpose by  
23 the System not later than December 31, 2002,  
24 shall be entitled to receive a retirement benefit

1 based upon two and one-half percent (2 1/2%) of  
2 the final average compensation of the member  
3 multiplied by the number of years of service as a  
4 firefighter with the Oklahoma Military Department  
5 on or after July 1, 2002. The election  
6 authorized by this subdivision shall be  
7 irrevocable once the election is filed with the  
8 System,

- 9 (2) a firefighter who performs firefighting services  
10 for the Oklahoma Military Department prior to  
11 July 1, 2002, and who makes the election in  
12 division (1) of this subparagraph may also make  
13 an election in writing on a form prescribed for  
14 this purpose by the System not later than  
15 December 31, 2002, to receive a retirement  
16 benefit based upon two and one-half percent (2  
17 1/2%) of the final average compensation of the  
18 member multiplied by the number of years of  
19 service as a firefighter with the Oklahoma  
20 Military Department prior to July 1, 2002. The  
21 election authorized by this subdivision shall be  
22 irrevocable once the election is filed with the  
23 System. Retirement benefits shall be calculated  
24 based upon the two and one-half percent (2 1/2%)

1 multiplier upon payment being made pursuant to  
2 Section 913.5 of this title.

3 (10) A motor carrier enforcement officer of the Corporation  
4 Commission, as provided for in Section 172 of Title 47 of the  
5 Oklahoma Statutes, who is:

- 6 a. hired after June 30, 2010, and who is employed as a  
7 motor carrier enforcement officer of the Corporation  
8 Commission at the time of retirement, shall be  
9 entitled to receive an annual retirement benefit equal  
10 to two and one-half percent (2 1/2%) of the final  
11 average compensation of the member multiplied by the  
12 number of years of service in such service up to  
13 twenty (20) years, and any years in excess of twenty  
14 (20) years credited to the member in accordance with  
15 the provisions of Section 913 of this title, shall be  
16 calculated for retirement purposes at two percent (2%)  
17 of the final average compensation of the member  
18 multiplied by the number of years of such service,
- 19 b. hired prior to July 1, 2010, and who makes an  
20 irrevocable election in writing to pay the actuarial  
21 difference for all years of service with the  
22 Corporation Commission as a motor carrier enforcement  
23 officer on a form prescribed for this purpose by the  
24 System not later than December 31, 2010, shall be

1 entitled to receive an annual retirement benefit equal  
2 to two and one-half percent (2 1/2%) of the final  
3 average compensation of the member multiplied by the  
4 number of years of service in such service up to  
5 twenty (20) years, and any years in excess of twenty  
6 (20) years credited to the member in accordance with  
7 the provisions of Section 913 of this title, shall be  
8 calculated for retirement purposes at two percent (2%)  
9 of the final average compensation of the member  
10 multiplied by the number of years of such service,  
11 provided such member had paid into the System the  
12 additional actuarial cost of making this election  
13 pursuant to Section 913.5 of this title prior to  
14 retirement.

15 (11) Upon death of a retirant, there shall be paid to his or  
16 her beneficiary an amount equal to the excess, if any, of his or her  
17 accumulated contributions over the sum of all retirement benefit  
18 payments made.

19 ~~(11)~~ (12) Such annual retirement benefits shall be paid in  
20 equal monthly installments, except that the Board may provide for  
21 the payment of retirement benefits which total less than Two Hundred  
22 Forty Dollars (\$240.00) a year on other than a monthly basis.

23 ~~(12)~~ (13) Pursuant to the rules established by the Board, a  
24 retiree receiving monthly benefits from the System may authorize

1 warrant deductions for any products currently offered to active  
2 state employees through the Employees Benefits Council, provided  
3 that product is offered to state retirees as a group and has a  
4 minimum participation of five hundred state retirees. The System  
5 has no responsibility for the marketing, enrolling or administration  
6 of such products, but shall retain a processing fee of two percent  
7 (2%) of the gross deductions for the products. Retirement benefit  
8 deductions shall be made for membership dues for any statewide  
9 association for which payroll deductions are authorized pursuant to  
10 subsection B of Section 7.10 of Title 62 of the Oklahoma Statutes  
11 for retired members of any state-supported retirement system, upon  
12 proper authorization given by the member to the board from which the  
13 member or beneficiary is currently receiving retirement benefits.

14 B. A member shall be considered disabled if such member  
15 qualifies for the payment of Social Security disability benefits, or  
16 the payment of benefits pursuant to the Railroad Retirement Act of  
17 1974, Section 231 et seq. of Title 45 of the United States Code, and  
18 shall be eligible for benefits hereunder upon proof of such  
19 disability, provided such member is an active regularly scheduled  
20 employee with a participating employer at the time of injury or  
21 inception of illness or disease resulting in subsequent  
22 certification of eligibility for Social Security disability benefits  
23 by reason of such injury, illness or disease, providing such  
24 disability is certified by the Social Security Administration within

1 one (1) year after the last date physically on the job and after  
2 completion of at least eight (8) years of participating service or  
3 combined prior and participating service or resulting in subsequent  
4 certification of eligibility of disability by the Railroad  
5 Retirement Board providing such certification is made by the  
6 Railroad Retirement Board within one (1) year after the last date  
7 physically on the job and after completion of at least eight (8)  
8 years of participating service or combined prior and participating  
9 service. The member shall submit to the Retirement System the  
10 Social Security Award Notice or the Railroad Retirement Award Notice  
11 certifying the date of entitlement for disability benefits, as  
12 issued by the Social Security Administration, Department of Health  
13 and Human Services or the Railroad Retirement Board. Disability  
14 benefits shall become effective on the date of entitlement as  
15 established by the Social Security Administration or the Railroad  
16 Retirement Board, but not before the first day of the month  
17 following removal from the payroll, whichever is later, and final  
18 approval by the Retirement System. Benefits shall be based upon  
19 length of service and compensation as of the date of disability,  
20 without actuarial reduction because of commencement prior to the  
21 normal retirement date. The only optional form of benefit payment  
22 available for disability benefits is Option A as provided for in  
23 Section 918 of this title. Option A must be elected in accordance  
24 with the provisions of Section 918 of this title. Benefit payments

1 shall cease upon the member's recovery from disability prior to the  
2 normal retirement date. Future benefits, if any, shall be paid  
3 based upon length of service and compensation as of the date of  
4 disability. In the event that disability ceases and the member  
5 returns to employment within the System credited service to the date  
6 of disability shall be restored, and future benefits shall be  
7 determined accordingly.

8 C. A member who incurred a disability pursuant to subsection B  
9 of this section on or after July 1, 1999, and who has retired from  
10 the System with an early retirement benefit pending certification  
11 from the Social Security Administration or the Railroad Retirement  
12 Board shall receive a retirement benefit not less than the  
13 disability retirement benefit provided by subsection B of this  
14 section once the System receives a Social Security Award Notice or a  
15 Railroad Retirement Award Notice pursuant to subsection B of this  
16 section and a completed Application for Disability Benefits. In  
17 addition, such member shall receive the difference, if any, between  
18 the early retirement benefit and the disability benefit from the  
19 date the Social Security Administration or the Railroad Retirement  
20 Board establishes disability entitlement.

21 D. Any actively participating member of the System on or after  
22 July 1, 1998, except for those employees provided in subparagraph  
23 (e) of paragraph (14) of Section 902 of this title, whose employment  
24 is less than full-time, shall have his or her final average

1 compensation calculated on an annualized basis using his or her  
2 hourly wage subject to the maximum compensation limits; provided,  
3 however, any such member who has at least three (3) years of full-  
4 time employment during the last ten (10) years immediately preceding  
5 termination or retirement shall not be eligible for the  
6 annualization provisions contained herein. The Board of Trustees  
7 shall promulgate such administrative rules as are necessary to  
8 implement the provisions of this subsection.

9 SECTION 3. AMENDATORY 74 O.S. 2001, Section 919.1, as  
10 last amended by Section 34, Chapter 46, 2nd Extraordinary Session,  
11 O.S.L. 2006 (74 O.S. Supp. 2009, Section 919.1), is amended to read  
12 as follows:

13 Section 919.1 (1) Employee contributions to the System shall  
14 be:

- 15 (a) for employees except as otherwise provided in  
16 paragraphs (b), (c), (d), and (e) of this subsection:  
17 beginning July 1, 2006, and thereafter, three and one-  
18 half percent (3.5%) of allowable annual compensation;
- 19 (b) for correctional officers and probation and parole  
20 officers employed by the Department of Corrections:  
21 beginning July 1, 1998, and thereafter, and for  
22 correctional officers or probation and parole officers  
23 who are in such position on June 30, 2004, or who are  
24 hired after June 30, 2004, and who receive a promotion

1 or change in job classification after June 30, 2004,  
2 to another position in the Department of Corrections,  
3 so long as such officers have at least five (5) years  
4 of service as a correctional officer or probation and  
5 parole officer, eight percent (8%) of allowable  
6 compensation as provided in paragraph (9) of Section  
7 902 of this title;

8 (c) for fugitive apprehension agents who are employed with  
9 the Department of Corrections on or after July 1,  
10 2002, and for fugitive apprehension agents who are in  
11 such position on June 30, 2004, or who are hired after  
12 June 30, 2004, and who receive a promotion or change  
13 in job classification after June 30, 2004, to another  
14 position in the Department of Corrections, so long as  
15 such agents have at least five (5) years of service as  
16 a fugitive apprehension agent, eight percent (8%) of  
17 allowable compensation as provided in paragraph (9) of  
18 Section 902 of this title;

19 (d) for firefighters of the Oklahoma Military Department  
20 first employed beginning July 1, 2002, and thereafter,  
21 and such firefighters who performed service prior to  
22 July 1, 2002, for the Oklahoma Military Department and  
23 who make the election authorized by division (1) of  
24 subparagraph b of paragraph (9) of subsection A of

1 Section 915 of this title who perform service on or  
2 after July 1, 2002, in such capacity, eight percent  
3 (8%) of allowable compensation as provided in  
4 subsection (9) of Section 902 of this title;

5 (e) for motor carrier enforcement officers of the  
6 Corporation Commission, as provided for in Section 172  
7 of Title 47 of the Oklahoma Statutes, first hired  
8 beginning July 1, 2010, and thereafter, and such motor  
9 carrier enforcement officers who performed service  
10 prior to July 1, 2010, for the Corporation Commission  
11 and who make the election authorized by Section 915 of  
12 this title who perform service on or after July 1,  
13 2010, in such capacity, eight percent (8%) of  
14 allowable compensation as provided in subsection (9)  
15 of Section 902 of this title;

16 (f) for all employees except those who make contributions  
17 pursuant to paragraphs (b), (c), ~~and~~ (d), and (e) of  
18 this subsection who make an irrevocable written  
19 election pursuant to paragraph (2) of subsection A of  
20 Section 915 of this title: six and forty-one one-  
21 hundredths percent (6.41%) of allowable annual  
22 compensation.

23 The contributions required by paragraphs (b) and (c) of this  
24 subsection shall be made by a member for not more than twenty (20)

1 years and thereafter shall be as provided in paragraph (a) of this  
2 subsection.

3 (2) Contributions shall be deducted by each state agency by the  
4 participating employer for such benefits as the Board is authorized  
5 to administer as provided for by law. Employee and employer  
6 contributions shall be remitted monthly, or as the Board may  
7 otherwise provide, to the Executive Director for deposit in the  
8 Oklahoma Public Employees Retirement Fund.

9 (3) Each participating employer shall pick up under the  
10 provisions of Section 414(h)(2) of the Internal Revenue Code of 1986  
11 and pay the contribution which the member is required by law to make  
12 to the System for all compensation earned after December 31, 1988.  
13 Although the contributions so picked up are designated as member  
14 contributions, such contributions shall be treated as contributions  
15 being paid by the participating employer in lieu of contributions by  
16 the member in determining tax treatment under the Internal Revenue  
17 Code of 1986 and such picked up contributions shall not be  
18 includable in the gross income of the member until such amounts are  
19 distributed or made available to the member or the beneficiary of  
20 the member. The member, by the terms of this System, shall not have  
21 any option to choose to receive the contributions so picked up  
22 directly and the picked up contributions must be paid by the  
23 participating employer to the System.

24

1 Member contributions which are picked up shall be treated in the  
2 same manner and to the same extent as member contributions made  
3 prior to the date on which member contributions were picked up by  
4 the participating employer. Member contributions so picked up shall  
5 be included in gross salary for purposes of determining benefits and  
6 contributions under the System.

7 The participating employer shall pay the member contributions  
8 from the same source of funds used in paying salary to the member,  
9 by effecting an equal cash reduction in gross salary of the member.

10 (4) By September 1, 1989, the System shall refund the  
11 accumulated employee contributions of any member who elects to  
12 retain the member's membership in the Teachers' Retirement System of  
13 Oklahoma, in accordance with Section 17-104 of Title 70 of the  
14 Oklahoma Statutes, to such member. Upon the refund of the  
15 accumulated employee contributions referred to in this subsection,  
16 all benefits and rights accrued to such member are terminated.

17 SECTION 4. This act shall become effective July 1, 2010.

18 SECTION 5. 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

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