

STATE OF OKLAHOMA

2nd Session of the 52nd Legislature (2010)

SENATE BILL 1889

By: Stanislawski

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, 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; repealing Section 1, Chapter 449, O.S.L. 2004, as amended by Section 2, Chapter 367, O.S.L. 2007 (74 O.S. Supp. 2009, Section 915.3), which relates to alternate retirement benefit option; 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:

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

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

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

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

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

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

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

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

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

22 (9) "Compensation" means all salary and wages, as defined by
23 the Board of Trustees, including amounts deferred under deferred
24 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,
24 1998, the maximum compensation level shall be Eighty

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

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

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

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

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

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

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

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

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

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

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

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

19 (c) All employees of the George Nigh Rehabilitation
20 Institute who elected to retain membership in the
21 System, pursuant to Section 913.7 of this title, shall
22 continue to be eligible employees for the purposes of
23 this act. The George Nigh Rehabilitation Institute
24

1 shall be considered a participating employer only for
2 such employees.

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

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

21 (a) Any employee of the county extension agents who is not
22 currently participating in the Teachers' Retirement
23 System of Oklahoma shall be a member of this System.
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1 (b) Eligibility shall not include any employee who is a
2 contributing member of the United States Civil Service
3 Retirement System.

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

19 (d) Eligibility shall also not include any officer or
20 employee of the Oklahoma Employment Security
21 Commission, except for those officers and employees of
22 the Commission electing to transfer to this System
23 pursuant to the provisions of Section 910.1 of this
24 title or any other class of officers or employees

1 specifically exempted by the laws of this state,
2 unless there be a consolidation as provided by Section
3 912 of this title. Employees of the Oklahoma
4 Employment Security Commission who are ineligible for
5 enrollment in the Employment Security Commission
6 Retirement Plan, that was in effect on January 1,
7 1964, shall become members of this System.

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

1 employee of the Legislative Service Bureau
2 participates full time shall be counted as six (6)
3 months of full-time participating service.

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

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

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

1 the Board prior to October 1, 1990. All employee
2 contributions made by the temporary legislative
3 session employee shall be returned to the
4 employee without interest within four (4) months
5 of receipt of the written request.

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

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

1 due to cessation of payments, death,
2 termination of employment or retirement, but
3 the payment may extend for a period not to
4 exceed ninety-six (96) months;

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

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

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

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

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

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

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

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

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

22 (a) during the following periods, including the beginning
23 and ending dates, and only for the periods served,
24 from:

- 1 (i) April 6, 1917, to November 11, 1918, commonly
2 referred to as World War I,
- 3 (ii) September 16, 1940, to December 7, 1941, as a
4 member of the 45th Division,
- 5 (iii) December 7, 1941, to December 31, 1946, commonly
6 referred to as World War II,
- 7 (iv) June 27, 1950, to January 31, 1955, commonly
8 referred to as the Korean Conflict or the Korean
9 War,
- 10 (v) February 28, 1961, to May 7, 1975, commonly
11 referred to as the Vietnam era, except that:
12 a. for the period from February 28, 1961, to
13 August 4, 1964, military service shall only
14 include service in the Republic of Vietnam
15 during that period, and
16 b. for purposes of determining eligibility for
17 education and training benefits, such period
18 shall end on December 31, 1976, or
- 19 (vi) August 1, 1990, to December 31, 1991, commonly
20 referred to as the Gulf War, the Persian Gulf
21 War, or Operation Desert Storm, but excluding any
22 person who served on active duty for training
23 only, unless discharged from such active duty for
24 a service-connected disability;

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

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

1 of subparagraph (a) of this paragraph those persons who were awarded
2 service medals, as authorized by the United States Department of
3 Defense as reflected in the veteran's Defense Department Form 214,
4 related to the Vietnam Conflict for service prior to August 5, 1964;

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

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

10 (b) for any person who initially became a member prior to
11 July 1, 1992, the first day of the month coinciding
12 with or following the date at which the sum of a
13 member's age and number of years of credited service
14 total eighty (80); such a normal retirement date will
15 also apply to any person who became a member of the
16 sending system as defined in Section 901 et seq. of
17 this title, prior to July 1, 1992, regardless of
18 whether there were breaks in service after July 1,
19 1992,

20 (c) for any person who became a member after June 30,
21 1992, the first day of the month coinciding with or
22 following the date at which the sum of a member's age
23 and number of years of credited service total ninety
24 (90),

1 (d) in addition to subparagraphs (a), (b) and (c) of this
2 paragraph, the first day of the month coinciding with
3 or following a member's completion of at least twenty
4 (20) years of full-time-equivalent employment as:

5 (i) a correctional or probation and parole officer
6 with the Department of Corrections and at the
7 time of retirement, the member was a correctional
8 or probation and parole officer with the
9 Department of Corrections, or

10 (ii) a correctional officer, probation and parole
11 officer or fugitive apprehension agent with the
12 Department of Corrections who is in such position
13 on June 30, 2004, or who is hired after June 30,
14 2004, and who receives a promotion or change in
15 job classification after June 30, 2004, to
16 another position in the Department of
17 Corrections, so long as such officer or agent has
18 at least five (5) years of service as a
19 correctional officer, probation and parole
20 officer or fugitive apprehension agent with the
21 Department, has twenty (20) years of full-time-
22 equivalent employment with the Department and was
23 employed by the Department at the time of
24 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
24 of Higher Education and whose initial employment with

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

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

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

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

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

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

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

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

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

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

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

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

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

1 SECTION 2. AMENDATORY 74 O.S. 2001, Section 913.4, as
2 last amended by Section 1, Chapter 105, O.S.L. 2008 (74 O.S. Supp.
3 2009, Section 913.4), is amended to read as follows:

4 Section 913.4 A. 1. An elected official may elect to
5 participate in the System and if he or she elects to do so shall
6 have the option of ~~contributing~~ participating at any one of the
7 ~~below listed contribution rates~~ computation factors set forth in
8 paragraphs 3 or 4 of this subsection and will receive retirement
9 benefits in accordance with the ~~contribution rate~~ computation factor
10 chosen. The election on participation in the System must be in
11 writing, must specify the ~~percent of contributions~~ computation
12 factor chosen, and must be filed with the System within ninety (90)
13 days after the elected official takes office. The election to
14 participate and the election of a ~~contribution rate~~ computation
15 factor shall be irrevocable. Reelection to the same office will not
16 permit new elections. Failure of an elected official to file such
17 election form within the ninety-day period shall be deemed an
18 irrevocable election to participate in the System at the maximum
19 ~~contribution rate. Any currently serving elected official who has~~
20 ~~not previously elected to participate in the System on the effective~~
21 ~~date of this act, must make an election on participation in writing,~~
22 ~~specifying the contribution rate no later than December 1, 1999.~~
23 Failure of a currently serving elected official to file such

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1 ~~election form shall be deemed an irrevocable election to participate~~
 2 ~~in the System at the maximum contribution rate computation factor.~~

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

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

<u>Elected official</u>	Computation	Alternate
Contribution Rate	Factor	Formula
4 1/2% <u>4.5%</u>	019 <u>1.9%</u>	\$12.50
6%	025 <u>2.5%</u>	\$20.00
7 1/2% <u>7.5%</u>	030 <u>3.0%</u>	\$25.00
8 1/2% <u>8.5%</u>	034 <u>3.4%</u>	\$27.50
9%	036 <u>3.6%</u>	\$30.00

1 electing a vested benefit and shall receive an adjustment of annual
2 benefits in accordance with the following percentage schedule:

3		Percentage of Normal
4	Age	Retirement Benefits
5	60	100%
6	59	94%
7	58	88%
8	57	82%
9	56	76%
10	55	70%

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

22 2. The retirement benefit may be computed pursuant to the
23 provisions of paragraph (1) of subsection A of Section 915 of this
24 title if the benefit would be higher. Elected officials who have a

1 vested benefit prior to July 1, 1980, may elect to receive annual
2 benefits based on the alternate formula provided above. Such annual
3 benefits shall be paid in equal monthly installments.

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

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

1 D. Any elected official making an election to participate at a
2 ~~contribution rate~~ computation factor less than the maximum and later
3 selecting a higher ~~rate~~ computation factor shall contribute to the
4 System a sum equal to the amount which ~~he~~ the elected official would
5 have contributed if ~~he~~ the elected official had made such election
6 at the time ~~he~~ the elected official first became eligible, plus
7 interest as determined by the Board, in order to receive the
8 additional benefits for all service as an elected official;
9 otherwise, the additional benefits shall be applicable only to
10 service for which the elected official pays the appropriate percent
11 of contributions to the System. ~~Any elected official who did not~~
12 ~~elect to participate and later elects to participate prior to~~
13 ~~December 1, 1999, may receive credit for those years of service~~
14 ~~accumulated by the member as an elected official if the member is~~
15 ~~not receiving or eligible to receive retirement credit or benefits~~
16 ~~from said service in any public retirement system. To receive this~~
17 ~~service credit, the member shall pay the amount determined by the~~
18 ~~Board pursuant to Section 913.5 of this title.~~

19 ~~E. An elected official who has a vested benefit on July 1,~~
20 ~~1982, may elect to receive benefits based upon a higher contribution~~
21 ~~rate than the official previously contributed by paying to the~~
22 ~~System the contributions, plus interest as determined by the Board,~~
23 ~~due at the higher rate as if that rate had been in effect at the~~
24 ~~time the official accepted a vested benefit.~~

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

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

22 ~~H.~~ G. Any one appointed or elected to an elected position after
23 July 1, 1990, shall not be eligible to receive benefits as provided
24

1 in this section until such person has participated as an elected
2 official for six (6) years.

3 ~~F.~~ H. Elected officials who terminate participation in the
4 System and who have a minimum of six (6) years of participating
5 service shall be entitled to elect a vested benefit and shall be
6 entitled to the retirement options as provided in Section 918 of
7 this title in lieu of the survivors benefit provided above.

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

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

23 B. A member may be employed beyond the normal retirement date
24 by the appointing authority of the participating employer. However,

1 the member may not receive retirement pay so long as the member
2 continues employment under this act. Any member who has terminated
3 employment with a participating employer prior to the month
4 immediately preceding said member's normal retirement date must
5 elect a vested benefit pursuant to Section 917 of this title before
6 receiving any retirement benefits.

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

14 D. No retirement benefits shall be payable to any member until
15 the first day of the month following the termination of the member's
16 employment with any participating employer. The type of retirement
17 benefit selected by a member may not be changed on or after the
18 effective date of the member's retirement. Receipt of workers'
19 compensation benefits shall in no respect disqualify ~~retirant~~ the
20 retiree for benefits.

21 E. If a ~~retirant~~ retiree should be elected or appointed to any
22 position or office for which compensation for service is paid from
23 levies or taxes imposed by the state or any political subdivision
24 thereof, the ~~retirant~~ retiree shall not receive any retirement

1 benefit for any month for which the ~~retirant~~ retiree serves in such
2 position or office after the ~~retirant~~ retiree has received
3 compensation in a sum equal to the amount allowable as wages or
4 earnings by the Social Security Administration in any calendar year,
5 ~~provided, this.~~ This subsection shall not apply to service rendered
6 by a ~~retirant~~ retiree as a juror, as a witness in any legal
7 proceeding or action, as an election board judge or clerk, or in any
8 other office or position of a similar nature, or to an employer that
9 is not a participating employer. Provided, further, that any
10 participating employer who is employing such a ~~retirant~~ retiree
11 shall make proper written notification to the System informing it of
12 the beginning date of such ~~retirant's~~ retiree's employment and the
13 date such ~~retirant~~ retiree reaches the maximum compensation allowed
14 by this section in the calendar year; ~~and provided, also, that any~~
15 ~~retirant.~~ Any retiree returning to work for a participating
16 employer shall make contributions to the System and the employer
17 shall do likewise. All ~~retirants~~ retirees who have returned to
18 employment and participation in the System following retirement
19 shall have post-retirement benefits calculated on one of the
20 following methods:

21 1. All service accumulated from date of reemployment shall be
22 computed based on the benefit formula applicable at that time and
23 the additional benefits shall be added to the previous benefits.
24 Such additional benefits shall be calculated each year based upon

1 additional service accrued from July 1 to June 30 of the previous
2 year and the additional benefit, if any, will be added to the
3 ~~retirant's~~ retiree's monthly benefit beginning January 1, 2000, and
4 each January 1 thereafter, ~~however,~~ However, the post-retirement
5 service credit shall be cumulative, beginning with service credit
6 accrued after the date of retirement, provided that the ~~retirant~~
7 retiree has not received a distribution of the post-retirement
8 contributions.

9 2. Any ~~retirant~~ retiree who returns to employment with a
10 participating employer may elect not to receive any retirement
11 benefits while so reemployed. If such an election is made and
12 reemployment is for a minimum period of thirty-six (36) consecutive
13 months, all service accumulated from date of reemployment shall be
14 participating service. For purposes of determining the retirement
15 benefits of such a member upon the termination of such reemployment
16 all creditable service of the member shall be computed based on the
17 benefit formula applicable at the time of termination of such
18 reemployment. Provided, a ~~retirant~~ retiree who became reemployed
19 prior to July 1, 1982, and who is reemployed for a minimum of
20 thirty-six (36) consecutive months shall have all the creditable
21 service of such ~~retirant~~ retiree computed based on the benefit
22 formula applicable at the time of termination of such reemployment
23 if the ~~retirant~~ retiree elects not to receive retirement benefits
24 prior to such termination of reemployment. A ~~retirant~~ retiree who

1 has waived receipt of the monthly benefit, but is not reemployed for
2 the full thirty-six (36) consecutive months, shall upon termination
3 of such reemployment have only the additional amount added to his or
4 her benefit as if they had not waived the benefit as provided in
5 paragraph 1 of this subsection.

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

11 4. A retired member who returns to work for a participating
12 employer pursuant to this section shall be bound by the election
13 made pursuant to paragraph (2) of subsection A of Section 915 of
14 this title if the member had made such election prior to retirement.
15 If the member had not made such election prior to retirement, the
16 member may do so during the member's reemployment with a
17 participating employer pursuant to this section. A retired member
18 may not be rehired by their former employer, nor may the retired
19 member be permitted to enter into an employment contract of any kind
20 with a former employer, for a period of one (1) year after ~~retiring~~
21 the retired member ended his or her employment with the former
22 employer unless the retired member waives his or her benefit under
23 paragraph 2 of this subsection and returns as a bona fide employee.
24

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

9		Percentage of Normal
10	Age	Retirement Benefit
11	62	100.00%
12	61	93.33%
13	60	86.67%
14	59	80.00%
15	58	73.33%
16	57	66.67%
17	56	63.33%
18	55	60.00%

19 SECTION 4. AMENDATORY 20 O.S. 2001, Section 1102, as
 20 last amended by Section 1, Chapter 464, O.S.L. 2005 (20 O.S. Supp.
 21 2009, Section 1102), is amended to read as follows:

22 Section 1102. A. Any Justice or Judge of the Supreme Court,
 23 Court of Criminal Appeals, Workers' Compensation Court, Court of
 24 Appeals or District Court who serves as Justice or judge of any of

1 | said courts in the State of Oklahoma shall be a member of the
2 | Uniform Retirement System for Justices and Judges. Any such member
3 | who serves for a period of eight (8) years or longer and upon
4 | reaching or passing the age of sixty-five (65) years, or who serves
5 | for a period of ten (10) years or longer and upon reaching or
6 | passing the age of sixty (60) years, or whose sum of years of
7 | service and age equal or exceeds eighty (80), after completing eight
8 | (8) years of judicial service, shall be eligible to receive the
9 | retirement benefits herein provided, ~~and, if.~~ In determining the
10 | periods of time above mentioned a major fraction of a year shall
11 | count as a whole year. If such Justice or judge is still serving in
12 | such capacity when the above requirements are complied with, the
13 | Justice or judge may elect to retire and may elect whether such
14 | retirement shall become effective immediately or at a specified time
15 | within the term of the Justice or judge or at the expiration of the
16 | term of the Justice or judge, ~~by filing.~~ The Justice or judge shall
17 | file a written declaration ~~of the desire of the Justice or judge to~~
18 | ~~retire with the Governor~~ System and the Court Administrator, ~~and the~~
19 | ~~Governor shall endorse approval of the Governor thereon if the~~
20 | ~~conditions herein specified exist. For the purpose of Section 1101~~
21 | ~~et seq. of this title, years to be credited for retirement shall be~~
22 | ~~as follows: Any Justice or judge who, at the time this act was~~
23 | ~~originally passed in 1968, was serving as a Justice or judge of a~~
24 | ~~court that is included in the State Supernumerary Judges Act shall~~

1 ~~receive credit for retirement under this act for each year said~~
2 ~~Justice or judge has served in any court of record, and any Justice~~
3 ~~or judge who, on January 12, 1969, was not serving as a Justice or~~
4 ~~judge of a court that was included in the State Supernumerary Judges~~
5 ~~Act shall receive credit for each year of service as a Justice or~~
6 ~~judge of a court of record, providing that the Justice or judge has~~
7 ~~served a period of two (2) years after assuming the office as a~~
8 ~~Justice or judge of one or more of the above mentioned courts, and,~~
9 ~~in determining the periods of time above mentioned, a major fraction~~
10 ~~of a year shall count as a whole year. Any Justice of the Supreme~~
11 ~~Court or Judge of the Court of Criminal Appeals, Workers'~~
12 ~~Compensation Court, Court of Appeals, or District Court, who has not~~
13 ~~served as a Justice or judge of a court of record of the State of~~
14 ~~Oklahoma or a court that was a court of record of the State of~~
15 ~~Oklahoma for a period of eight (8) years, and who on January 13,~~
16 ~~1969, was a member of the Oklahoma Public Employees Retirement~~
17 ~~System, or the retirement system of any instrumentality of the~~
18 ~~state, or the retirement system of any county, shall not be required~~
19 ~~or permitted to become a member of, or participant in, The Uniform~~
20 ~~Retirement System for Judges and Justices provided for by Sections~~
21 ~~1101 - 1107, inclusive, of this title, unless within ninety (90)~~
22 ~~days after May 7, 1969, the Justice or judge elected to so become~~
23 ~~and waived or forfeited any right to which the Justice or judge~~
24 ~~might have been entitled under the Oklahoma Public Employees~~

1 ~~Retirement System or the retirement system of any instrumentality of~~
2 ~~the state, or of a county, except the right of a refund of any~~
3 ~~accumulated contributions of the Justice or judge without interest~~
4 ~~thereon. No Justice of the Supreme Court or Judge of the Court of~~
5 ~~Criminal Appeals, Workers' Compensation Court, Court of Appeals, or~~
6 ~~District Court, who has served as a Justice or judge of a court of~~
7 ~~record of the State of Oklahoma or a court that was a court of~~
8 ~~record of the State of Oklahoma for a period of eight (8) years or~~
9 ~~more prior to January 13, 1969, and who was a member of the Oklahoma~~
10 ~~Public Employees Retirement System or a county retirement system on~~
11 ~~January 12, 1969, and who on January 13, 1969, was a Justice or~~
12 ~~judge in any of the aforementioned courts, shall be required to make~~
13 ~~an election as to which retirement system the Justice or judge shall~~
14 ~~be a member of, and nothing in this act shall be construed so as to~~
15 ~~require any such Justice or judge to forfeit any right to which the~~
16 ~~Justice or judge might be entitled under the Oklahoma Public~~
17 ~~Employees Retirement System or county retirement system to which the~~
18 ~~Justice or judge may have a vested or contractual interest but the~~
19 ~~Justice or judge will be required to participate in The Uniform~~
20 ~~Retirement System for Judges and Justices provided by Sections 1101~~
21 ~~—1107, inclusive, of this title. No Justice or judge of the above-~~
22 ~~mentioned courts shall be eligible to enter the Oklahoma Public~~
23 ~~Employees Retirement System after January 13, 1969 of his or her~~
24

1 desire to retire. The Court Administrator shall notify the Governor
2 within five (5) business days of receiving the Notice of Retirement.

3 B. Upon ~~approval by the Governor~~ filing of an election ~~of~~ by
4 any Justice or judge to retire as authorized by Section 1101 et seq.
5 of this title, the office held by such Justice or judge shall become
6 vacated immediately or at the specified time within the term of the
7 Justice or judge, or at the expiration of the term of the Justice or
8 judge in accordance with the election of the Justice or judge
9 desiring retirement status, ~~and any.~~ Any such vacancy so created
10 shall be filled in the manner provided by law and the Constitution.
11 ~~Provided, however, if~~

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

1 SECTION 5. REPEALER 20 O.S. 2001, Section 1102.1, is
2 hereby repealed.

3 SECTION 6. REPEALER Section 1, Chapter 449, O.S.L. 2004,
4 as amended by Section 2, Chapter 367, O.S.L. 2007 (74 O.S. Supp.
5 2009, Section 915.3), is hereby repealed.

6 SECTION 7. This act shall become effective November 1, 2010.

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