

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 794

By: Mazzei and Brecheen of
the Senate

and

McDaniel (Randy) of the
House

3
4
5
6
7
8
9 An Act relating to the Oklahoma Public Employees
10 Retirement System; amending 74 O.S. 2001, Section
11 913.4, as last amended by Section 2, Chapter 435,
12 O.S.L. 2010 (74 O.S. Supp. 2010, Section 913.4),
which relates to elected officials retirement; * * *
providing an effective date; and declaring an
emergency.

13
14
15 AMENDMENT NO. 1. Strike the title, enacting clause and entire bill
and insert

16
17 "An Act relating to the Oklahoma Public Employees
18 Retirement System; amending 74 O.S. 2001, Sections
19 902, as last amended by Section 1, Chapter 435,
20 O.S.L. 2010, 913.4, as last amended by Section 2,
21 Chapter 435, O.S.L. 2010 and 914, as last amended by
22 Section 3, Chapter 435, O.S.L. 2010 (74 O.S. Supp.
23 2010, Sections 902, 913.4 and 914), which relate to
24 normal retirement age provisions; modifying
definitions; providing normal retirement age for
certain members; requiring certain rate and
retirement benefit for certain elected officials;
modifying normal retirement date for certain elected
officials; modifying early retirement percentages
for certain elected officials; modifying eligibility
date to receive survivor and retirement benefits for

1 certain elected officials; prescribing benefits
2 based upon early retirement; and providing an
3 effective date.
4

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

6 SECTION 1. AMENDATORY 74 O.S. 2001, Section 902, as last
7 amended by Section 1, Chapter 435, O.S.L. 2010 (74 O.S. Supp. 2010,
8 Section 902), is amended to read as follows:

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

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

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

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

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

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

22 (6) "Actuary" means the actuary or firm of actuaries employed
23 by the Board at any given time;
24

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

5 (8) "Board" means the Oklahoma Public Employees Retirement
6 System Board of Trustees;

7 (9) "Compensation" means all salary and wages, as defined by
8 the Board of Trustees, including amounts deferred under deferred
9 compensation agreements entered into between a member and a
10 participating employer, but exclusive of payment for overtime,
11 payable to a member of the System for personal services performed
12 for a participating employer but shall not include compensation or
13 reimbursement for traveling, or moving expenses, or any compensation
14 in excess of the maximum compensation level, provided:

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

18 For compensation for service on or after January 1,
19 1988, through June 30, 1994, the maximum compensation
20 level shall be Forty Thousand Dollars (\$40,000.00) per
21 annum.

22 For compensation for service on or after July 1, 1994,
23 through June 30, 1995, the maximum compensation level
24 shall be Fifty Thousand Dollars (\$50,000.00) per

1 annum; for compensation for service on or after July
2 1, 1995, through June 30, 1996, the maximum
3 compensation level shall be Sixty Thousand Dollars
4 (\$60,000.00) per annum; for compensation for service
5 on or after July 1, 1996, through June 30, 1997, the
6 maximum compensation level shall be Seventy Thousand
7 Dollars (\$70,000.00) per annum; and for compensation
8 for service on or after July 1, 1997, through June 30,
9 1998, the maximum compensation level shall be Eighty
10 Thousand Dollars (\$80,000.00) per annum. For
11 compensation for services on or after July 1, 1998,
12 there shall be no maximum compensation level for
13 retirement purposes.

14 (b) Compensation for retirement purposes shall include any
15 amount of elective salary reduction under Section 457
16 of the Internal Revenue Code of 1986 and any amount of
17 nonelective salary reduction under Section 414(h) of
18 the Internal Revenue Code of 1986.

19 (c) Notwithstanding any provision to the contrary, the
20 compensation taken into account for any employee in
21 determining the contribution or benefit accruals for
22 any plan year is limited to the annual compensation
23 limit under Section 401(a)(17) of the federal Internal
24 Revenue Code.

1 (d) Current appointed members of the Oklahoma Tax
2 Commission whose salary is constitutionally limited
3 and is less than the highest salary allowed by law for
4 his or her position shall be allowed, within ninety
5 (90) days from the effective date of this act, to make
6 an election to use the highest salary allowed by law
7 for the position to which the member was appointed for
8 the purposes of making contributions and determination
9 of retirement benefits. Such election shall be
10 irrevocable and be in writing. Reappointment to the
11 same office shall not permit a new election. Members
12 appointed to the Oklahoma Tax Commission after the
13 effective date of this act shall make such election,
14 pursuant to this subparagraph, within ninety (90) days
15 of taking office;

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

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

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

23 (13) "Eligible employer" means the state and any county, county
24 hospital, city or town, conservation districts, circuit engineering

1 districts and any public or private trust in which a county, city or
2 town participates and is the primary beneficiary is to be an
3 eligible employer for the purpose of this act only, whose employees
4 are covered by Social Security and are not covered by or eligible
5 for another retirement plan authorized under the laws of this state
6 which is in operation on the initial entry date. Emergency medical
7 service districts may join the System upon proper application to the
8 Board. Provided affiliation by a county hospital shall be in the
9 form of a resolution adopted by the board of control.

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

19 (b) A class or several classes of employees who are
20 covered by Social Security and are not covered by or
21 eligible for and will not become eligible for another
22 retirement plan authorized under the laws of this
23 state, which is in operation on the effective date,
24 and when the qualifications for employment in such

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

1 or town participates and is the primary beneficiary
2 shall be deemed to be an eligible employee for the
3 purpose of this act only.

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

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

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

1 wage for that employer. Each employer, whose minimum wage is less
2 than the state's minimum wage, shall inform the System of the
3 minimum wage for that employer. This notification shall be by
4 resolution of the governing body.

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

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

11 (c) It shall be mandatory for an officer, appointee or
12 employee of the office of district attorney to become
13 a member of this System if he or she is not currently
14 participating in a county retirement system. Provided
15 further, that if an officer, appointee or employee of
16 the office of district attorney is currently
17 participating in such county retirement system, he or
18 she is ineligible for this System as long as he or she
19 is eligible for such county retirement system. Any
20 eligible officer, appointee or employee of the office
21 of district attorney shall be given credit for prior
22 service as defined in this section. The provisions
23 outlined in Section 917 of this title shall apply to
24

1 those employees who have previously withdrawn their
2 contributions.

3 (d) Eligibility shall also not include any officer or
4 employee of the Oklahoma Employment Security
5 Commission, except for those officers and employees of
6 the Commission electing to transfer to this System
7 pursuant to the provisions of Section 910.1 of this
8 title or any other class of officers or employees
9 specifically exempted by the laws of this state,
10 unless there be a consolidation as provided by Section
11 912 of this title. Employees of the Oklahoma
12 Employment Security Commission who are ineligible for
13 enrollment in the Employment Security Commission
14 Retirement Plan, that was in effect on January 1,
15 1964, shall become members of this System.

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

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

12 (i) Except as otherwise provided by this
13 subparagraph, once a temporary session employee
14 makes a choice to participate or not, the choice
15 shall be binding for all future legislative
16 sessions during which the employee is employed.

17 (ii) Notwithstanding the provisions of division (i) of
18 this subparagraph, any employee, who is eligible
19 for membership in the System because of the
20 provisions of this subparagraph and who was
21 employed by the State Senate or House of
22 Representatives after January 1, 1989, may file
23 an election, in a manner specified by the Board,
24

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

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

15 (iv) A member of the System who did not initially
16 elect to participate as a member of the System
17 pursuant to subparagraph (e) of this paragraph
18 shall be able to acquire service performed as a
19 temporary legislative session employee for
20 periods of service performed prior to the date
21 upon which the person became a member of the
22 System if:
23
24

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

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

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

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

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

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

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

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

22 (22) "Member" means an eligible employee or elected official
23 who is in the System and is making the required employee or elected
24 official contributions, or any former employee or elected official

1 who shall have made the required contributions to the System and
2 shall have not received a refund or withdrawal;

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

8 (a) during the following periods, including the beginning
9 and ending dates, and only for the periods served,
10 from:

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

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

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

17 (iv) June 27, 1950, to January 31, 1955, commonly
18 referred to as the Korean Conflict or the Korean
19 War,

20 (v) February 28, 1961, to May 7, 1975, commonly
21 referred to as the Vietnam era, except that:

22 a. for the period from February 28, 1961, to
23 August 4, 1964, military service shall only
24

1 include service in the Republic of Vietnam
2 during that period, and

3 b. for purposes of determining eligibility for
4 education and training benefits, such period
5 shall end on December 31, 1976, or

6 (vi) August 1, 1990, to December 31, 1991, commonly
7 referred to as the Gulf War, the Persian Gulf
8 War, or Operation Desert Storm, but excluding any
9 person who served on active duty for training
10 only, unless discharged from such active duty for
11 a service-connected disability;

12 (b) during a period of war or combat military operation
13 other than a conflict, war or era listed in
14 subparagraph (a) of this paragraph, beginning on the
15 date of Congressional authorization, Congressional
16 resolution, or Executive Order of the President of the
17 United States, for the use of the Armed Forces of the
18 United States in a war or combat military operation,
19 if such war or combat military operation lasted for a
20 period of ninety (90) days or more, for a person who
21 served, and only for the period served, in the area of
22 responsibility of the war or combat military
23 operation, but excluding a person who served on active
24 duty for training only, unless discharged from such

1 active duty for a service-connected disability, and
2 provided that the burden of proof of military service
3 during this period shall be with the member, who must
4 present appropriate documentation establishing such
5 service.

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

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

19 (a) the first day of the month coinciding with or
20 following a member's:

21 (1) sixty-second birthday with respect to members
22 whose first participating service occurs prior to
23 November 1, 2011, or
24

1 (2) sixty-fifth birthday with respect to members
2 whose first participating service occurs on or
3 after November 1, 2011, or with respect to
4 members whose first participating service occurs
5 on or after November 1, 2011, reaches a minimum
6 age of sixty (60) years and who also reaches a
7 normal retirement date pursuant to subparagraph c
8 of this paragraph,

9 (b) for any person who initially became a member prior to
10 July 1, 1992, and who does not reach a normal
11 retirement date pursuant to division (1) of
12 subparagraph (a) of this paragraph, the first day of
13 the month coinciding with or following the date at
14 which the sum of a member's age and number of years of
15 credited service total eighty (80); such a normal
16 retirement date will also apply to any person who
17 became a member of the sending system as defined in
18 Section 901 et seq. of this title, prior to July 1,
19 1992, regardless of whether there were breaks in
20 service after July 1, 1992,

21 (c) for any person who became a member after June 30,
22 1992, but prior to November 1, 2011, and who does not
23 reach a normal retirement date pursuant to division
24 (1) of subparagraph (a) of this paragraph, the first

1 day of the month coinciding with or following the date
2 at which the sum of a member's age and number of years
3 of credited service total ninety (90),

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

8 (i) a correctional or probation and parole officer
9 with the Department of Corrections and at the
10 time of retirement, the member was a correctional
11 or probation and parole officer with the
12 Department of Corrections, or

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

1 equivalent employment with the Department and was
2 employed by the Department at the time of
3 retirement, or

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

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

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

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

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

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

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

22 (29) "Retirement benefit" means a monthly income with benefits
23 accruing from the first day of the month coinciding with or
24 following retirement and ending on the last day of the month in

1 which death occurs or the actuarial equivalent thereof paid in such
2 manner as specified by the member pursuant to Section 901 et seq. of
3 this title or as otherwise allowed to be paid at the discretion of
4 the Board;

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

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

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

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

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

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

24

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

4 SECTION 2. AMENDATORY 74 O.S. 2001, Section 913.4, as
5 last amended by Section 2, Chapter 435, O.S.L. 2010 (74 O.S. Supp.
6 2010, Section 913.4), is amended to read as follows:

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

22 2. Contributions and benefits will be based upon the elected
23 official's annual compensation as defined in Section 902 of this
24 title. Employer and elected official contributions shall be

1 remitted at least monthly, or as the Board may otherwise provide, to
 2 the System for deposit in the Oklahoma Public Employees Retirement
 3 Fund. Effective July 1, 1994, and thereafter, the participating
 4 employer shall contribute as provided in Section 920 of this title.

5 3. Except as provided in paragraph 4 of this subsection,
 6 effective July 1, 1994, the computation factor selected and the
 7 corresponding elected official contribution rate shall be as
 8 follows:

9	Elected official	Computation	Alternate
10	Contribution Rate	Factor	Formula
11	4.5%	1.9%	\$12.50
12	6%	2.5%	\$20.00
13	7.5%	3.0%	\$25.00
14	8.5%	3.4%	\$27.50
15	9%	3.6%	\$30.00
16	10%	4.0%	\$40.00

17 4. Elected officials who are first elected or appointed to an
 18 elected office on or after November 1, 2010, shall elect a
 19 computation factor of either 1.9% or 4%. The elected official
 20 contribution rate for the 1.9% computation factor is currently 4.5%
 21 and the contribution rate for the 4% computation factor is currently
 22 10%. All other computation factors and contribution rates set forth
 23 in paragraph 3 of this subsection shall not be available to any
 24

1 person first elected or appointed to an elected office on or after
2 November 1, 2010.

3 5. The contribution rate for elected officials who are first
4 elected or appointed to an elected office on or after November 1,
5 2011, shall be in the amount specified in paragraph (a) of
6 subsection (1) of Section 919.1 of this title. The amount of the
7 retirement benefit for elected officials who are first elected or
8 appointed to an elected office on or after November 1, 2011, shall
9 be based on the provisions of paragraph (1) of subsection A of
10 Section 915 of this title.

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

16 B. The normal retirement date for an elected official shall be
17 the first day of the month coinciding with or following the
18 official's sixtieth birthday or the first day of the month
19 coinciding with or following the date at which the sum of the
20 elected official's age and number of years of credited service total
21 eighty (80). The normal retirement date for an elected official
22 first elected or appointed to an elected office on or after November
23 1, 2011, shall be the first day of the month coinciding with or
24 following the official's sixty-fifth birthday or the date upon which

1 the elected or appointed official attains the age of sixty-two (62)
 2 and who has at least ten (10) years of elected or appointed service.
 3 Any ~~elective~~ elected official first elected or appointed to an
 4 elected office before November 1, 2011, who has a minimum of ten
 5 (10) years' participating service may retire under the early
 6 retirement provisions of this act, including those electing a vested
 7 benefit and shall receive an adjustment of annual benefits in
 8 accordance with the following percentage schedule:

9		Percentage of Normal
10	Age	Retirement Benefits
11	60	100%
12	59	94%
13	58	88%
14	57	82%
15	56	76%
16	55	70%

17 Except for officials whose first elected or appointed service as
 18 an elected official occurs on or after November 1, 2011, and who
 19 retire at age sixty-two (62) with a minimum of ten (10) years of
 20 elected or appointed service, any elected official first elected or
 21 appointed for an elected office on or after November 1, 2011, who
 22 has a minimum of ten (10) years' participating service may retire
 23 under the early retirement provisions of this act, including those
 24

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

<u>Age</u>	<u>Percentage of Normal Retirement Benefits</u>
<u>65</u>	<u>100%</u>
<u>64</u>	<u>93.33%</u>
<u>63</u>	<u>86.67%</u>
<u>62</u>	<u>80%</u>
<u>61</u>	<u>73.33%</u>
<u>60</u>	<u>66.67%</u>

11 C. 1. Any elected official shall receive annual benefits
 12 computed based upon the computation factor selected multiplied by
 13 the member's highest annual compensation received as an elected
 14 official prior to retirement or termination of employment multiplied
 15 by the number of years of credited service. No elected official
 16 shall retire using such highest annual compensation unless the
 17 elected official has made the required election and has paid the
 18 required contributions on such salary.

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

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

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

21 D. Any elected official making an election to participate at a
22 computation factor less than the maximum and later selecting a
23 higher computation factor shall contribute to the System a sum equal
24 to the amount which the elected official would have contributed if

1 the elected official had made such election at the time the elected
2 official first became eligible, plus interest as determined by the
3 Board, in order to receive the additional benefits for all service
4 as an elected official; otherwise, the additional benefits shall be
5 applicable only to service for which the elected official pays the
6 appropriate percent of contributions to the System.

7 E. The surviving spouse of a deceased elected official ~~having~~
8 who was first elected or appointed to an elected office before
9 November 1, 2011, and who has at least six (6) years of
10 participating service and the surviving spouse of a deceased elected
11 official who was first elected or appointed to an elected office on
12 or after November 1, 2011, and who has at least eight (8) years of
13 participating service shall be entitled to receive survivor benefits
14 in the amount herein prescribed, if married to the decedent
15 continuously for a period of at least three (3) years immediately
16 preceding the elected official's death. Provided the elected
17 official had met the service requirements, survivor benefits shall
18 be payable when the deceased member would have met the requirements
19 for normal or early retirement. The amount of the benefits the
20 surviving spouse may receive shall be fifty percent (50%) of the
21 amount of benefits the deceased elected official was receiving or
22 will be eligible to receive. Remarriage of a surviving spouse shall
23 disqualify the spouse for the receipt of survivor benefits. Elected

24

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

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

9 G. ~~Any one~~ Anyone appointed or elected to an elected position
10 after July 1, 1990, shall not be eligible to receive benefits as
11 provided in this section until such person has participated as an
12 elected official for six (6) years. Anyone appointed or elected to
13 an elected position on or after November 1, 2011, shall not be
14 eligible to receive benefits as provided in this section until such
15 person has participated as an elected official for eight (8) years.

16 H. Elected officials who terminate participation in the System
17 and who have a minimum of six (6) years of participating service
18 shall be entitled to elect a vested benefit and shall be entitled to
19 the retirement options as provided in Section 918 of this title in
20 lieu of the survivors benefit provided ~~above~~ in subsection E of this
21 section. Elected officials who terminate participation in the
22 System and who have a minimum of eight (8) years of participating
23 service shall be entitled to elect a vested benefit and shall be
24 entitled to retirement options as provided in Section 918 of this

1 title in lieu of the survivors benefits provided in subsection E of
2 this section.

3 I. In determining the number of years of credited service, a
4 fractional year of six (6) months or more shall be considered as one
5 (1) year, and less than six (6) months or more shall be disregarded.

6 SECTION 3. AMENDATORY 74 O.S. 2001, Section 914, as last
7 amended by Section 3, Chapter 435, O.S.L. 2010 (74 O.S. Supp. 2010,
8 Section 914), is amended to read as follows:

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

21 B. A member may be employed beyond the normal retirement date
22 by the appointing authority of the participating employer. However,
23 the member may not receive retirement pay so long as the member
24 continues employment under this act. Any member who has terminated

1 employment with a participating employer prior to the month
2 immediately preceding said member's normal retirement date must
3 elect a vested benefit pursuant to Section 917 of this title before
4 receiving any retirement benefits.

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

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

19 E. If a retiree should be elected or appointed to any position
20 or office for which compensation for service is paid from levies or
21 taxes imposed by the state or any political subdivision thereof, the
22 retiree shall not receive any retirement benefit for any month for
23 which the retiree serves in such position or office after the
24 retiree has received compensation in a sum equal to the amount

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

17 1. All service accumulated from date of reemployment shall be
18 computed based on the benefit formula applicable at that time and
19 the additional benefits shall be added to the previous benefits.
20 Such additional benefits shall be calculated each year based upon
21 additional service accrued from July 1 to June 30 of the previous
22 year and the additional benefit, if any, will be added to the
23 retiree's monthly benefit beginning January 1, 2000, and each
24 January 1 thereafter. However, the post-retirement service credit

1 shall be cumulative, beginning with service credit accrued after the
2 date of retirement, provided that the retiree has not received a
3 distribution of the post-retirement contributions.

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

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

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

19 F. Any Except as otherwise provided by subsection G of this
20 section, any member may elect to retire before his or her normal
21 retirement date on the first day of any month coinciding with or
22 following the attainment of age fifty-five (55), provided such
23 member has completed ten (10) years of participating service, but in
24 no event before six (6) months after the entry date. Any member who

1 shall retire before the normal retirement date shall receive an
 2 annual retirement benefit adjusted in accordance with the following
 3 percentage schedule:

4		Percentage of Normal
5	<u>Age</u>	<u>Retirement Benefit</u>
6	62	100.00%
7	61	93.33%
8	60	86.67%
9	59	80.00%
10	58	73.33%
11	57	66.67%
12	56	63.33%
13	55	60.00%

14 G. Any member whose first participating service occurs on or
 15 after November 1, 2011, may elect to retire before his or her normal
 16 retirement date on the first day of any month coinciding with or
 17 following the attainment of age sixty (60), provided such member has
 18 completed ten (10) years of participating service, but in no event
 19 before six (6) months after the entry date. Any member who shall
 20 retire before the normal retirement date shall receive an annual
 21 retirement benefit adjusted in accordance with the following
 22 percentage schedule:

23		<u>Percentage of Normal</u>
24	<u>Age</u>	<u>Retirement Benefit</u>

1	<u>65</u>	<u>100.00%</u>
2	<u>64</u>	<u>93.33%</u>
3	<u>63</u>	<u>86.67%</u>
4	<u>62</u>	<u>80.00%</u>
5	<u>61</u>	<u>73.33%</u>
6	<u>60</u>	<u>66.67%</u>

7 SECTION 4. This act shall become effective November 1, 2011."

8 Passed the House of Representatives the 21st day of April, 2011.

9
10
11 _____
12 Presiding Officer of the House of
Representatives

13 Passed the Senate the ____ day of _____, 2011.

14
15
16 _____
17 Presiding Officer of the Senate
18
19
20
21
22
23
24