

## STATE OF OKLAHOMA

1st Session of the 53rd Legislature (2011)

SENATE BILL 78

By: Ellis

AS INTRODUCED

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. Section 913.4, as last amended by Section 2, Chapter 435, O.S.L. 2010 (74 O.S. Supp. 2010, Section 913.4), which relates to elected officials retirement; providing exception; prohibiting certain elected officials from participation in the System; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 913.4, as last amended by Section 2, Chapter 435, O.S.L. 2010 (74 O.S. Supp. 2010, Section 913.4), is amended to read as follows:

Section 913.4 A. 1. ~~An~~ Except as otherwise provided in this section, an elected official may elect to participate in the System and if he or she elects to do so shall have the option of participating at any one of the computation factors set forth in paragraphs 3 or 4 of this subsection and will receive retirement benefits in accordance with the computation factor chosen. The election on participation in the System must be in writing, must specify the computation factor chosen, and must be filed with the

1 System within ninety (90) days after the elected official takes  
 2 office. The election to participate and the election of a  
 3 computation factor shall be irrevocable. Reelection to the same  
 4 office will not permit new elections. Failure of an elected  
 5 official to file such election form within the ninety-day period  
 6 shall be deemed an irrevocable election to participate in the System  
 7 at the maximum computation factor.

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

15 3. Except as provided in paragraph 4 of this subsection,  
 16 effective July 1, 1994, the computation factor selected and the  
 17 corresponding elected official contribution rate shall be as  
 18 follows:

19	Elected official	Computation	Alternate
20	Contribution Rate	Factor	Formula
21	4.5%	1.9%	\$12.50
22	6%	2.5%	\$20.00
23	7.5%	3.0%	\$25.00
24	8.5%	3.4%	\$27.50

1	9%	3.6%	\$30.00
2	10%	4.0%	\$40.00

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

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

17 B. The normal retirement date for an elected official shall be  
18 the first day of the month coinciding with or following the  
19 official's sixtieth birthday or the first day of the month  
20 coinciding with or following the date at which the sum of the  
21 elected official's age and number of years of credited service total  
22 eighty (80). Any elective official who has a minimum of ten (10)  
23 years' participating service may retire under the early retirement  
24 provisions of this act, including those electing a vested benefit

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

22 F. Any elected official who served in the Armed Forces of the  
23 United States, as defined in paragraph (23) of Section 902 of this  
24 title, prior to membership in the Oklahoma Public Employees

1 Retirement System shall be granted credited service of not to exceed  
2 five (5) years for those periods of active military service during  
3 which the elected official was a war veteran.

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

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

13 I. Any person first elected to a state office in the  
14 legislative branch of state government on or after July 1, 2011,  
15 shall not be eligible to participate in the System.

16 SECTION 2. This act shall become effective July 1, 2011.

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

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