

STATE OF OKLAHOMA

1st Session of the 53rd Legislature (2011)

SENATE BILL 806

By: Brecheen

AS INTRODUCED

An Act relating to the Oklahoma Public Employees Retirement System; stating legislative intent; amending 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), which relates to elected officials retirement; providing exception; requiring certain contribution rate and retirement benefit amount computation for certain elected officials; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The various contributions made on the behalf of state and local employees and public safety employees as members of the Oklahoma Public Employees Retirement System cover the cost of the benefit while such contributions do not adequately cover the cost of the benefit for the elected official component of the System. In order to ensure the solvency of the Oklahoma Public Employees Retirement System, it is the intent of the Legislature that persons elected to

1 the Legislature on or after the effective date of this act who  
2 choose to participate in the Oklahoma Public Employees Retirement  
3 System will set an example and shall be subject to a contribution  
4 rate and benefit structure that will cover more of the costs of the  
5 benefit for such officials.

6 SECTION 2. AMENDATORY 74 O.S. 2001, Section 913.4, as  
7 last amended by Section 2, Chapter 435, O.S.L. 2010 (74 O.S. Supp.  
8 2010, Section 913.4), is amended to read as follows:

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

24

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

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

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

20        4. Elected officials who are first elected or appointed to an  
 21 elected office on or after November 1, 2010, shall elect a  
 22 computation factor of either 1.9% or 4%. The elected official  
 23 contribution rate for the 1.9% computation factor is currently 4.5%  
 24 and the contribution rate for the 4% computation factor is currently

1 10%. All other computation factors and contribution rates set forth  
2 in paragraph 3 of this subsection shall not be available to any  
3 person first elected or appointed to an elected office on or after  
4 November 1, 2010.

5 5. The contribution rate for any person first elected to a  
6 state office in the legislative branch of state government on or  
7 after July 1, 2011, shall be in the amount specified in paragraph  
8 (a) of subsection (1) of Section 919.1 of this title. The amount of  
9 the retirement benefit for any person first elected to a state  
10 office in the legislative branch of state government on or after  
11 July 1, 2011, shall be determined pursuant to the provisions of  
12 paragraph (1) of subsection A of Section 915 of this title.

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

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

1 provisions of ~~this act~~ Section 901 et seq. of this title, including  
 2 those electing a vested benefit and shall receive an adjustment of  
 3 annual benefits in accordance with the following percentage  
 4 schedule:

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

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

21 2. The retirement benefit may be computed pursuant to the  
 22 provisions of paragraph (1) of subsection A of Section 915 of this  
 23 title if the benefit would be higher. Elected officials who have a  
 24 vested benefit prior to July 1, 1980, may elect to receive annual

1 benefits based on the alternate formula provided above. Such annual  
2 benefits shall be paid in equal monthly installments.

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

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

23 D. Any elected official making an election to participate at a  
24 computation factor less than the maximum and later selecting a

1 higher computation factor shall contribute to the System a sum equal  
2 to the amount which the elected official would have contributed if  
3 the elected official had made such election at the time the elected  
4 official first became eligible, plus interest as determined by the  
5 Board, in order to receive the additional benefits for all service  
6 as an elected official; otherwise, the additional benefits shall be  
7 applicable only to service for which the elected official pays the  
8 appropriate percent of contributions to the System.

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

24

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

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

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

16 SECTION 3. This act shall become effective July 1, 2011.

17 SECTION 4. 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.

21  
22 53-1-903 ARE 1/20/2011 9:30:18 AM  
23  
24