

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL NO. 733

By: Brinkley

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2011, Sections 902, 914, 915, 916.1 and 917, which relate to administration of the retirement system; modifying definition; imposing reporting requirements on participating employers; prescribing required information; providing for disqualification of retirement eligibility; imposing requirement on employer for failure to report or for inaccurate reports; modifying provisions related to payment of employee contributions in the event of death; modifying amount eligible for payment without probate requirements; modifying content of certain information reported to the System in the event of death of a member; modifying provisions related to payment of benefits in the event of death of retired member; 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. 2011, Section 902, is amended to read as follows:

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

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

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

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

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

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

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

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

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

21 (9) "Compensation" means all salary and wages, as defined by  
22 the Board of Trustees, including amounts deferred under deferred  
23 compensation agreements entered into between a member and a  
24 participating employer, but exclusive of payment for overtime,

1 payable to a member of the System for personal services performed  
2 for a participating employer but shall not include compensation or  
3 reimbursement for traveling, or moving expenses, or any compensation  
4 in excess of the maximum compensation level, provided:

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

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

12 For compensation for service on or after July 1, 1994,  
13 through June 30, 1995, the maximum compensation level  
14 shall be Fifty Thousand Dollars (\$50,000.00) per  
15 annum; for compensation for service on or after July  
16 1, 1995, through June 30, 1996, the maximum

17 compensation level shall be Sixty Thousand Dollars  
18 (\$60,000.00) per annum; for compensation for service  
19 on or after July 1, 1996, through June 30, 1997, the  
20 maximum compensation level shall be Seventy Thousand  
21 Dollars (\$70,000.00) per annum; and for compensation  
22 for service on or after July 1, 1997, through June 30,  
23 1998, the maximum compensation level shall be Eighty  
24 Thousand Dollars (\$80,000.00) per annum. For

1 compensation for services on or after July 1, 1998,  
2 there shall be no maximum compensation level for  
3 retirement purposes.

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

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

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

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

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

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

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



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 this subparagraph ~~(e) of this~~  
9 ~~paragraph~~ shall be able to acquire service  
10 performed as a temporary legislative session  
11 employee for periods of service performed prior  
12 to the date upon which the person became a member  
13 of the 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 and with respect to members whose first participating  
22 service occurs on or after July 1, 2013, the compensation received  
23 during the highest five (5) of the last ten (10) years of  
24 participating service immediately preceding retirement or

1 termination of employment. Provided, no member shall retire with a  
2 final average compensation unless the member has made the required  
3 contributions on such compensation, as defined by the Board of  
4 Trustees;

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

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

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

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

21 (23) "Military service" means service in the Armed Forces of  
22 the United States by an honorably discharged person during the  
23 following time periods, as reflected on such person's Defense  
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24  
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1 Department Form 214, not to exceed five (5) years for combined  
2 participating and/or prior service, as follows:

3 (a) during the following periods, including the beginning  
4 and ending dates, and only for the periods served,  
5 from:

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

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

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

12 (iv) June 27, 1950, to January 31, 1955, commonly  
13 referred to as the Korean Conflict or the Korean  
14 War,

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

17 a. for the period from February 28, 1961, to  
18 August 4, 1964, military service shall only  
19 include service in the Republic of Vietnam  
20 during that period, and

21 b. for purposes of determining eligibility for  
22 education and training benefits, such period  
23 shall end on December 31, 1976, or  
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1 (vi) August 1, 1990, to December 31, 1991, commonly  
2 referred to as the Gulf War, the Persian Gulf  
3 War, or Operation Desert Storm, but excluding any  
4 person who served on active duty for training  
5 only, unless discharged from such active duty for  
6 a service-connected disability;

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



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

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

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

16 (1) sixty-second birthday with respect to members  
17 whose first participating service occurs prior to  
18 November 1, 2011, or

19 (2) sixty-fifth birthday with respect to members  
20 whose first participating service occurs on or  
21 after November 1, 2011, or with respect to  
22 members whose first participating service occurs  
23 on or after November 1, 2011, reaches a minimum  
24 age of sixty (60) years and who also reaches a

1 normal retirement date pursuant to subparagraph c  
2 of this paragraph,

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

15 (c) for any person who became a member after June 30,  
16 1992, but prior to November 1, 2011, and who does not  
17 reach a normal retirement date pursuant to division  
18 (1) of subparagraph (a) of this paragraph, the first  
19 day of the month coinciding with or following the date  
20 at which the sum of a member's age and number of years  
21 of credited service total ninety (90),

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

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

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

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

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

20 (f) for any member who was continuously employed by an  
21 entity or institution within The Oklahoma State System  
22 of Higher Education and whose initial employment with  
23 such entity or institution was prior to July 1, 1992,  
24 and who without a break in service of more than thirty

1 (30) days became employed by an employer participating  
2 in the Oklahoma Public Employees Retirement System,  
3 the first day of the month coinciding with or  
4 following the date at which the sum of the member's  
5 age and number of years of credited service total  
6 eighty (80);

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

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

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

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

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

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

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

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

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

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

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

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

23 SECTION 2. AMENDATORY 74 O.S. 2011, Section 914, is  
24 amended to read as follows:

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

13       B. A member may be employed beyond the normal retirement date  
14 by the appointing authority of the participating employer. However,  
15 the member may not receive retirement pay so long as the member  
16 continues employment under this act. Any member who has terminated  
17 employment with a participating employer prior to the month  
18 immediately preceding said member's normal retirement date must  
19 elect a vested benefit pursuant to Section 917 of this title before  
20 receiving any retirement benefits.

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

4 1. The participating employer shall provide the System with the  
5 following information for a retiring member, no later than the  
6 fifteenth day of the month of retirement: last day physically on  
7 the job; last day on payroll; and final unused sick leave balance.

8 2. Failure to submit this information by the deadline, or  
9 errors in submitted information that result in a disqualification of  
10 retirement eligibility shall be the responsibility of the  
11 participating employer. In cases where the error results in  
12 disqualification of retirement eligibility, it is the participating  
13 employer's responsibility to reemploy the member, or retain the  
14 member on the payroll, for time period required to reach  
15 eligibility, not exceeding two (2) months.

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

23 E. If a retiree should be elected or appointed to any position  
24 or office for which compensation for service is paid from levies or



1 taxes imposed by the state or any political subdivision thereof, the  
2 retiree shall not receive any retirement benefit for any month for  
3 which the retiree serves in such position or office after the  
4 retiree has received compensation in a sum equal to the amount  
5 allowable as wages or earnings by the Social Security Administration  
6 in any calendar year. This subsection shall not apply to service  
7 rendered by a retiree as a juror, as a witness in any legal  
8 proceeding or action, as an election board judge or clerk, or in any  
9 other office or position of a similar nature, or to an employer that  
10 is not a participating employer. Provided, further, that any  
11 participating employer who is employing such a retiree shall make  
12 proper written notification to the System informing it of the  
13 beginning date of such retiree's employment and the date such  
14 retiree reaches the maximum compensation allowed by this section in  
15 the calendar year. Any retiree returning to work for a  
16 participating employer shall make contributions to the System and  
17 the employer shall do likewise. All 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 retiree's monthly benefit beginning January 1, 2000, and each  
4 January 1 thereafter. However, the post-retirement service credit  
5 shall be cumulative, beginning with service credit accrued after the  
6 date of retirement, provided that the retiree has not received a  
7 distribution of the post-retirement contributions.

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

4-1

1 consecutive months, shall upon termination of such reemployment have  
2 only the additional amount added to his or her benefit as if they  
3 had not waived the benefit as provided in paragraph 1 of this  
4 subsection.

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

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

23 F. Except as otherwise provided by subsection G of this  
24 section, any member may elect to retire before his or her normal

25

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

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

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

1 retirement benefit adjusted in accordance with the following  
 2 percentage schedule:

3		Percentage of Normal
4	Age	Retirement Benefit
5	65	100.00%
6	64	93.33%
7	63	86.67%
8	62	80.00%
9	61	73.33%
10	60	66.67%

11 SECTION 3. AMENDATORY 74 O.S. 2011, Section 915, is  
 12 amended to read as follows:

13 Section 915. A. (1) Except as otherwise provided in this  
 14 subsection and as provided for elected officials in Section 913.4 of  
 15 this title, any member who shall retire on or after the member's  
 16 normal retirement date shall be entitled to receive an annual  
 17 retirement benefit equal to two percent (2%) of the member's final  
 18 average compensation as determined pursuant to paragraph (18) of  
 19 Section 902 of this title, multiplied by the number of years of  
 20 credited service that has been credited to the member in accordance  
 21 with the provisions of Section 913 of this title other than years  
 22 credited pursuant to paragraph (2) of this subsection.

23 (2) Effective January 1, 2004, except as otherwise provided for  
 24 elected officials in Section 913.4 of this title and except for

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

4-1

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

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

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

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

19 (4) Provided, further, any member who has elected a vested  
20 benefit pursuant to Section 917 of this title shall be entitled to  
21 receive benefits as outlined in this section except the percent  
22 factor and the member's maximum compensation level in effect the  
23 date the member's employment was terminated with a participating  
24 employer shall be applicable.

1 (5) Any member who is a correctional officer or a probation and  
2 parole officer employed by the Department of Corrections at the time  
3 of retirement and who retires on or before June 30, 2000, shall be  
4 entitled to receive an annual retirement benefit equal to two and  
5 one-half percent (2 1/2%) of the final average compensation of the  
6 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and  
7 two percent (2%) of the final average salary in excess of Twenty-  
8 five Thousand Dollars (\$25,000.00) but not exceeding the maximum  
9 compensation level as provided in paragraph (9) of Section 902 of  
10 this title, multiplied by the number of years of service as a  
11 correctional officer or a probation and parole officer, provided,  
12 any years accrued prior to July 1, 1990, as a correctional officer  
13 or a probation and parole officer by a member who is employed as a  
14 correctional officer or a probation and parole officer on July 1,  
15 1990, shall be calculated for retirement purposes at two and one-  
16 quarter percent (2 1/4%) of the final average compensation of the  
17 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and  
18 two percent (2%) of the final average salary in excess of Twenty-  
19 five Thousand Dollars (\$25,000.00) but not exceeding the maximum  
20 compensation level as provided in paragraph (9) of Section 902 of  
21 this title, multiplied by the number of years of such service and  
22 any years in excess of twenty (20) years as such an officer or years  
23 credited to the member in accordance with the provisions of Section  
24 913 of this title shall be calculated for retirement purposes at two



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

23 (6) Any member who is a correctional officer, a probation and  
24 parole officer or a fugitive apprehension agent employed by the  
25

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

1 a lower retirement benefit amount than if final average compensation  
2 were to be computed as otherwise provided by this paragraph. "Final  
3 average compensation" shall be determined by computing the average  
4 annual salary for the highest five (5) of the last ten (10) years of  
5 participating service immediately preceding retirement or  
6 termination of employment, with respect to members whose first  
7 participating service occurs on or after July 1, 2013.

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

1 be calculated for retirement purposes at two percent (2%) of the  
2 final average compensation of the member multiplied by the number of  
3 years of such service. For purposes of this paragraph, "final  
4 average compensation" shall be determined by computing the average  
5 annual salary, in the manner prescribed by paragraph (18) of Section  
6 902 of this title, for the highest three (3) years of the last ten  
7 (10) years of participating service immediately preceding retirement  
8 or termination of employment for all years of service performed by  
9 such member with the Department. "Final average compensation" shall  
10 be determined by computing the average annual salary for the highest  
11 five (5) of the last ten (10) years of participating service  
12 immediately preceding retirement or termination of employment, with  
13 respect to members whose first participating service occurs on or  
14 after July 1, 2013.

15 (8) Any person who contributed to the System as a correctional  
16 officer, a probation and parole officer or a fugitive apprehension  
17 agent as provided in paragraphs (c) or (d) of subsection (1) of  
18 Section 919.1 of this title, and who retires under normal retirement  
19 or early retirement on or after January 1, 2004, under paragraph  
20 (24) of Section 902 of this title shall have retirement benefits for  
21 each year of full-time-equivalent participating service as a  
22 correctional officer, a probation and parole officer or a fugitive  
23 apprehension agent, computed on two and one-half percent (2 1/2%) of  
24 the final average compensation based upon those years as a

1 correctional officer, a probation and parole officer or a fugitive  
2 apprehension agent. For purposes of this paragraph, "final average  
3 compensation" shall be determined by computing the average annual  
4 salary, in the manner prescribed by paragraph (18) of Section 902 of  
5 this title, for the highest three (3) years of the last ten (10)  
6 years of participating service immediately preceding retirement or  
7 termination of employment for all years of service performed by such  
8 member, both for years of service performed as a correctional  
9 officer, probation and parole officer or fugitive apprehension  
10 agent, not in excess of twenty (20) years, and for years of service  
11 performed in excess of twenty (20) years, whether as a correctional  
12 officer, probation and parole officer, fugitive apprehension agent  
13 or other position unless the computation of benefits would result in  
14 a lower retirement benefit amount than if final average compensation  
15 were to be computed as otherwise provided by this paragraph. "Final  
16 average compensation" shall be determined by computing the average  
17 annual salary for the highest five (5) of the last ten (10) years of  
18 participating service immediately preceding retirement or  
19 termination of employment, with respect to members whose first  
20 participating service occurs on or after July 1, 2013.

21 (9) Any member who is:

- 22 a. initially on or after July 1, 2002, employed as a  
23 firefighter for the Oklahoma Military Department and  
24 who retires on or after the member's normal retirement  
25

1 date shall be entitled to receive an annual retirement  
2 benefit equal to two and one-half percent (2 1/2%) of  
3 the final average compensation of the member  
4 multiplied by the number of years of service in such  
5 service,

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

20 (2) a firefighter who performs firefighting services  
21 for the Oklahoma Military Department prior to  
22 July 1, 2002, and who makes the election in  
23 division (1) of this subparagraph may also make  
24 an election in writing on a form prescribed for  
25

1           this purpose by the System not later than  
2           December 31, 2002, to receive a retirement  
3           benefit based upon two and one-half percent (2  
4           1/2%) of the final average compensation of the  
5           member multiplied by the number of years of  
6           service as a firefighter with the Oklahoma  
7           Military Department prior to July 1, 2002. The  
8           election authorized by this subdivision shall be  
9           irrevocable once the election is filed with the  
10          System. Retirement benefits shall be calculated  
11          based upon the two and one-half percent (2 1/2%)  
12          multiplier upon payment being made pursuant to  
13          Section 913.5 of this title.

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

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

22          (12) Pursuant to the rules established by the Board, a retiree  
23          receiving monthly benefits from the System may authorize warrant  
24          deductions for any products currently offered to active state  
25

1 employees through the Employees Benefits Council, provided that  
2 product is offered to state retirees as a group and has a minimum  
3 participation of five hundred state retirees. The System has no  
4 responsibility for the marketing, enrolling or administration of  
5 such products, but shall retain a processing fee of two percent (2%)  
6 of the gross deductions for the products. Retirement benefit  
7 deductions shall be made for membership dues for any statewide  
8 association for which payroll deductions are authorized pursuant to  
9 subsection B of Section ~~7.10~~ 34.70 of Title 62 of the Oklahoma  
10 Statutes for retired members of any state-supported retirement  
11 system, upon proper authorization given by the member to the board  
12 from which the member or beneficiary is currently receiving  
13 retirement benefits.

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



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

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

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

21 D. Any actively participating member of the System on or after  
22 July 1, 1998, except for those employees provided in subparagraph  
23 (e) of paragraph (14) of Section 902 of this title, whose employment  
24 is less than full-time, shall have his or her final average  
25

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

9 SECTION 4. AMENDATORY 74 O.S. 2011, Section 916.1, is  
10 amended to read as follows:

11 Section 916.1 A. Upon the death of a retired member, the  
12 Oklahoma Public Employees Retirement System shall pay to the  
13 beneficiary of the member or if there is no beneficiary or if the  
14 beneficiary predeceases the member, to the estate of the member, the  
15 sum of Four Thousand Dollars (\$4,000.00) as a death benefit for  
16 those retired members who died prior to July 1, 1999. For those  
17 retired members who died on or after July 1, 1999, the sum shall be  
18 Five Thousand Dollars (\$5,000.00). The benefit payable pursuant to  
19 this subsection shall be deemed, for purposes of federal income  
20 taxation, as life insurance proceeds and not as a death benefit if  
21 the Internal Revenue Service approves this provision pursuant to a  
22 private letter ruling request which shall be submitted by the board  
23 of trustees of the System for that purpose.

24

25

1 B. Upon the death of a member who dies leaving no living  
2 beneficiary or having designated his estate as beneficiary, the  
3 System may pay any applicable death benefit, unpaid contributions,  
4 or unpaid benefit which may be subject to probate, in an amount of  
5 ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty-five Thousand Dollars  
6 (\$25,000.00) or less, without the intervention of the probate court  
7 or probate procedure pursuant to Section 1 et seq. of Title 58 of  
8 the Oklahoma Statutes.

9 1. Before any applicable probate procedure may be waived, the  
10 System must be in receipt of the member's proof of death and the  
11 following documents from those persons claiming to be the legal  
12 heirs of the deceased member:

- 13 a. the member's valid last will and testament, trust  
14 documents or affidavit that a will does not exist,  
15 b. an affidavit or affidavits of heirship which must  
16 state:

- 17 (1) the names and signatures of all claiming heirs to  
18 the deceased member's estate including the  
19 claiming heirs' names, relationship to the  
20 deceased, current addresses and current telephone  
21 numbers,  
22 (2) a statement or statements by the claiming heirs  
23 that no application or petition for the  
24

1 appointment of a personal representative is  
2 pending or has been granted in any jurisdiction,  
3 ~~(3) a statement that the value of the deceased~~  
4 ~~member's entire estate is subject to probate, and~~  
5 ~~that the estate wherever located, less liens and~~  
6 ~~encumbrances, does not exceed Ten Thousand~~  
7 ~~Dollars (\$10,000.00), including the payment of~~  
8 ~~benefits or unpaid contributions from the System~~  
9 ~~as authorized by this subsection,~~

10 ~~(4)~~ a description of the personal property claimed  
11 (i.e., death benefit or unpaid contributions or  
12 both), together with a statement that such  
13 personal property is subject to probate, and

14 ~~(5)~~ (4) a statement by each individual claiming heir  
15 identifying the amount of personal property that  
16 the heir is claiming from the System, and that  
17 the heir has been notified of, is aware of and  
18 consents to the identified claims of all the  
19 other claiming heirs of the deceased member  
20 pending with the System,

21 c. a written agreement or agreements signed by all  
22 claiming heirs of the deceased member which provides  
23 that the claiming heirs release, discharge and hold  
24 harmless the System from any and all liability,

1 obligations and costs which it may incur as a result  
2 of making a payment to any of the deceased member's  
3 heirs,

4 d. a corroborating affidavit from an individual other  
5 than a claiming heir, who was familiar with the  
6 affairs of the deceased member, and

7 e. proof that all debts of the deceased member, including  
8 payment of last sickness, hospital, medical, death,  
9 funeral and burial expenses have been paid or provided  
10 for.

11 2. The Executive Director of the System shall retain complete  
12 discretion in determining which requests for probate waiver may be  
13 granted or denied, for any reason. Should the System have any  
14 question as to the validity of any document presented by the  
15 claiming heirs, or as to any statement or assertion contained  
16 therein, the probate requirement provided for in Section 1 et seq.  
17 of Title 58 of the Oklahoma Statutes shall not be waived.

18 3. After paying any death benefits or unpaid contributions to  
19 any claiming heirs as provided pursuant to this subsection, the  
20 System is discharged and released from any and all liability,  
21 obligation and costs to the same extent as if the System had dealt  
22 with a personal representative of the deceased member. The System  
23 is not required to inquire into the truth of any matter specified in  
24 this subsection or into the payment of any estate tax liability.

1 C. Death benefits provided pursuant to this section may be  
2 assigned by the beneficiary to a person licensed as a funeral  
3 director or to a lawfully recognized business entity licensed as  
4 required by law to provide funeral services for the deceased member.

5 SECTION 5. AMENDATORY 74 O.S. 2011, Section 917, is  
6 amended to read as follows:

7 Section 917. (1) Upon termination of employment with a  
8 participating employer, not followed by employment with such  
9 participating employer, or another participating employer, within  
10 four (4) calendar months, the member shall be paid an amount equal  
11 to the amount of money he or she has paid into the System upon the  
12 filing of the proper application with the System. Payment of these  
13 accumulated contributions may be made in less than four (4) calendar  
14 months only in the event that a member is not eligible to elect a  
15 vested benefit pursuant to this section and said member is  
16 terminally ill, as evidenced by a physician's certification that the  
17 member is not expected to live beyond four (4) months.

18 (2) If such member has completed eight (8) years of credited  
19 service at date of termination or if the member is a legislative  
20 session employee of the Legislature or if the employee is a session  
21 employee employed by the Legislative Service Bureau, four (4) years  
22 of credited service at date of termination, he may elect a vested  
23 benefit in lieu of receiving his accumulated contributions. The  
24 amount of the vested benefit shall commence at the normal retirement

1 date and shall be paid monthly during the lifetime of the retirant  
2 with the last payment made on the last day of the month in which  
3 death occurs.

4 (3) Upon death before the normal or early retirement date of a  
5 member who has elected a vested benefit, his accumulated  
6 contributions shall be paid to his beneficiary unless the spouse of  
7 the deceased member elects monthly benefits as provided for in  
8 Section 918 of this title.

9 (4) Upon death after the normal or early retirement date of a  
10 retirant who elected a vested benefit without an option, the excess,  
11 if any, of his accumulated contributions over the sum of all  
12 payments of the vested benefit made to date of death shall be paid  
13 to his beneficiary.

14 (5) If a former employee, who meets the eligibility  
15 requirements for membership, returns to employment after the  
16 expiration of four (4) calendar months following the termination of  
17 his employment and the employee has withdrawn his accumulated  
18 contributions, he may pay to the System the sum of the accumulated  
19 contributions he has withdrawn plus interest of not to exceed ten  
20 percent (10%), as determined by the Board, and shall receive the  
21 same benefits as if he had never withdrawn his contributions. No  
22 member shall be permitted to take advantage of the payback for  
23 restoration of creditable service more than one time. If a member,  
24 who has elected a vested benefit, or a reemployed member, who has



1 not withdrawn the member's contributions, again becomes an employee  
2 of a participating employer, the period of absence shall not be  
3 counted as a break in service; however, the period of absence shall  
4 not be credited.

5 (6) Prior to January 1, 1991, members, who at the time of  
6 employment were ineligible for membership into the System due to  
7 their age, shall receive benefits for the period of ineligibility if  
8 the employer and employee contributions are paid the System for that  
9 ineligible period. No interest shall be paid on a payback of this  
10 type. However, effective January 1, 1991, to receive benefits, the  
11 member shall pay the amount determined by the Board pursuant to  
12 Section 913.5 of this title.

13 (7) When any error in calculation or participation coverage to  
14 a prior or current employee exists, it shall be the responsibility  
15 of the participating employer which made the error to pay the amount  
16 determined by the Board pursuant to Section 913.5 of this title.  
17 This obligation of the participating employer to pay the amount due  
18 pursuant to this section shall be considered a current obligation of  
19 the employer until the amount is paid in full, regardless of the  
20 dates of the periods of service.

21 (8) Upon application to the Board and payment as determined by  
22 the Board, a member of the System may receive service credit for  
23 those years of service that the member was eligible to receive  
24 service credit from the Teachers' Retirement System of Oklahoma. To

1 receive the service credit, the member shall pay the amount  
2 determined by the Board pursuant to Section 913.5 of this title.

3 (9) Upon the death of a retired member, the benefit payment for  
4 the month in which the retired member died, if not previously paid,  
5 shall be made to the ~~estate~~ beneficiary of the member or to the  
6 member's ~~beneficiary if there is no~~ estate if there is no  
7 beneficiary. Such benefit payment shall be made in an amount equal  
8 to a full monthly benefit payment regardless of the day of the month  
9 in which the retired member died.

10 (10) Subject to the provisions of Sections 918 and 918.1 of  
11 this title, if there are two or more beneficiaries designated by the  
12 member, upon the member's death, the System shall pay any applicable  
13 benefits to any of the beneficiaries that have completed all  
14 required paperwork regardless of whether or not all beneficiaries  
15 have completed such paperwork.

16 SECTION 6. This act shall become effective July 1, 2013.

17 SECTION 7. 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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