ENGROSSED SENATE
BILL NO. 498 By: Mazzei of the Senate

and

McDaniel (Randy) and
Wesselhoft of the House

[ county retirement systems - establishing policies and procedures - establishing powers of resolution - effective date ]

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

SECTION 1. AMENDATORY 19 O.S. 2011, Section 952, is amended to read as follows:

Section 952. Every county establishing a retirement fund and system under the terms of this act is authorized and directed to provide for the control and management of such system by resolution which in addition to other provisions shall provide for: ~~(1) the~~

1. The qualifications of the persons eligible for retirement benefits; ~~(2) the~~

2. The minimum age for retirement of employees; ~~(3) the~~

3. The limitations of amounts to be paid to persons eligible for retirement benefits; ~~(4) a~~

4. A board of trustees to administer the fund to be selected as provided for in Section ~~2~~ 952.1 of this ~~act~~ title; ~~(5) the~~

5. The amount of contributions to be made by the county and the amount to be made by the employees; and ~~(6) such~~

6. Such rules ~~and~~, regulations, policies, and procedures as the board of trustees shall determine necessary for the proper regulation of the retirement fund and system.

Such fund and system shall be known as the "Employees' Retirement System of _____ County, Oklahoma", and by such name all of its business shall be transacted, all funds handled and all of its cash and securities and other property held.

SECTION 2. AMENDATORY 19 O.S. 2011, Section 956, is amended to read as follows:

Section 956. No member of a county ~~employee~~ retirement system shall be eligible for retirement benefits under Section 951 et seq. of this title until such ~~employee~~ member:

1. Has attained the age of sixty-two (62) years and shall have served for a period of at least fifteen (15) years with said county~~, and the last two (2) years of such service shall have been consecutive immediately preceding such retirement~~; ~~or~~

2. Has attained the age of fifty-five (55) years and shall have served for a period of at least thirty (30) years with said county; or

3. Has attained the age at which the sum of the employee's age and number of years of service with the county total eighty (80).

To be eligible for retirement benefits the employee's service with the county shall have ceased. Provided, the board of trustees and the board of county commissioners, by resolution, may allow retirees to return to work on a part-time basis after the first month of retirement and continue to be eligible for their retirement benefits. Provided, that any county employee who shall have completed fifteen (15) years of service as such county employee, ~~the last two (2) years of which shall have been consecutive,~~ and who, at the time of completing such fifteen (15) years of service shall not have reached the age of sixty-two (62) years, may then elect to retire, such retirement to become effective and all retirement benefits to begin when such county employee shall have attained the age of sixty-two (62) years, provided that such election shall be in writing upon such form as the board of trustees shall direct, and such election shall be signed by such employee and filed with the board of trustees, and any funds paid into the retirement system by such employee may not thereafter be withdrawn by such employee. Provided, that when approved by the board of trustees of the county retirement system and the board of county commissioners of any county which has provided for a retirement fund and system as authorized under the provisions of Section 951 of this title, the board of trustees may lower the mandatory fifteen-year requirement to not less than five (5) years by a resolution if the following has occurred:

1. Prior to such action, an actuarial report on the system shall be made by an independent professional actuary qualified as an "Enrolled actuary" as defined by the Employee Retirement Income Security Act (ERISA) of 1974, which report shall determine and declare whether the reduction of the mandatory service requirement would result in any additional unfunded or accrued liabilities and, if so, the amount required to make the retirement system actuarially sound expressed in dollars and in percent of the gross payroll.

2. Such report shall be filed with the board of trustees and with the board of county commissioners and notice of the receipt and filing of such report be given by the board of county commissioners by publishing notice thereof in a newspaper of general circulation in the county. Such report shall be a public document subject to examination by any interested person. Any member of the retirement system or any citizen of the county may, within thirty (30) days from the date of such publication, file a petition in the district court of the county in which the retirement system is located to challenge the validity and accuracy of the actuarial report or any other action taken in connection therewith, and the court is hereby vested with jurisdiction to receive evidence and enter a judgment affirming, modifying or rejecting the actuarial report or any funding provisions, and such report shall be conformed in accordance with any final judgment. The costs, including attorney fees, if

any, of such action shall be assessed by the court as it may deem equitable irrespective of the form of the judgment.

3. If the final report determines that additional funding shall be required to implement any reduction of the mandatory service requirement, then and in that event affirmative action by the board of county commissioners, approved by the board of trustees, providing for the funding of any such changed benefits in an amount necessary to make said system actuarially sound upon the implementation of such change shall be established at or prior to the effective date of such reduction in the mandatory service requirement.

4. If the report reveals no additional funding requirement, then the board of county commissioners with the approval of the board of trustees may lower the mandatory fifteen-year service requirement as provided in this section without a corresponding or concurrent funding resolution.

5. It is further provided that if the mandatory service credit is reduced to a period of time less than fifteen (15) years, then and in that event the retirement benefits shall be correspondingly reduced by at least an amount equal to six and two-thirds percent (6 2/3%) from that which would have been earned for fifteen (15) years' service multiplied by the number of years of reduction in the mandatory service except for those retirees who have eight (8) years' service and are entitled to disability retirement. The

entitlement to disability retirement and the amount thereof shall not be affected by this paragraph.

6. No person shall be entitled to receive the benefits of a reduction in the mandatory service requirement who at the time of such reduction is not then an employee of the county, has been continuously employed by the county and a member of the county retirement system for the twenty-four (24) months immediately preceding the reduction in the mandatory service requirement or shall have been an employee with twenty-four (24) months immediately preceding the election by such employee to receive the benefit of the reduced mandatory service requirement.

Provided further, that, for the purposes of Section 951 et seq. of this title and the eligibility of employees to participate therein, employees of levee districts shall be considered county employees. Retirement benefits, disability benefits and benefits paid to the surviving spouse shall be calculated on the average of the income of any three (3) years which shall be the years of highest income for said employee during participation in said retirement system.

Any ~~employee~~ member of the county retirement system covered by Section 951 et seq. of this title who shall have completed eight (8) years of employment with said county and who, by reason of disability resulting from the performance of his or her duties as such employee of said county, shall become disabled to such an

extent as to be unable to perform his or her duties as an employee shall be entitled to disability retirement and to such benefits as the board of trustees shall determine; provided, however, that the board of trustees shall find that said disability is total and permanent, and resulted from the performance of his or her duty as such employee of the county.

Any ~~person~~ member of the county retirement system covered by Section 951 et seq. of this title who has ~~been a regular county employee for at least one (1) year~~ participated in the system immediately preceding the time he or she is required, by Act of Congress of the United States and/or by order of the President of the United States, or volunteers to leave the employment of the county to enter the military service of the United States government shall receive credit, for the purposes of Section 951 et seq. of this title, for all actual time so served in full-time military service, ~~but not to exceed a total of four (4) years in all; provided, however, that to be eligible to receive such credit, the employee shall not withdraw funds previously contributed, as otherwise permitted by the provisions of Section 951 et seq. of this title; provided, further, that neither the employee nor the county shall be required to make further contribution to the retirement fund during the period of military service; and, provided, further, that the credit time allowed, hereby, shall not be considered in lieu of the two (2) years' consecutive employment required by this~~

~~section, as a prerequisite to receiving retirement benefits hereunder~~ to the extent required by Internal Revenue Code Section 414(u) and the Uniformed Services Employment and Reemployment Rights Act of 1994. Provided further, that if any county employee who shall have completed at least fifteen (15) years of service to any county covered by Section 951 et seq. of this title and who has not yet reached the age of retirement shall die, then, and in such event, the surviving spouse of said county employee shall receive retirement benefits in the amount of sixty-six and two-thirds percent (66 2/3%) of whatever benefits would otherwise be received by said county employee under Section 951 et seq. of this title at the age of sixty-two (62) years, such retirement benefits to the surviving spouse to begin on the date said deceased county employee would have reached the age of sixty-two (62) years.

Provided further, that if any county employee receiving or eligible to receive retirement benefits pursuant to the provisions of Section 951 et seq. of this title shall die, then, and in such event, the surviving spouse of said person shall receive retirement benefits in the amount of sixty-six and two-thirds percent (66 2/3%) of whatever benefits the deceased was receiving or was entitled to receive for the remainder of the natural life of said surviving spouse. This provision shall apply to anyone who has qualified for retirement, even though they may not have retired or are deceased. Said provision also shall include any employees who have retired

after January 1, 1970, and later shall become deceased, then in such event the surviving spouse shall receive sixty-six and two-thirds percent (66 2/3%). This shall not apply to persons who have retired prior to January 1, 1970, or their spouses.

Provided further, that the board of trustees and the board of county commissioners may elect to amend the surviving spouse benefit provision to increase the surviving spouse retirement benefit to as much as one hundred percent (100%).

Provided further, that the board of trustees and the board of county commissioners may elect to amend the benefit provisions to allow any vested employee who is otherwise not eligible to retire because such employee has not satisfied any of the age requirements the option of retiring as early as age fifty-five (55). However, such employee shall have met the minimum service requirements approved by the board of trustees of the county retirement system and the board of county commissioners. If any employee elects such an option, the employee shall receive an actuarially reduced benefit.

SECTION 3. AMENDATORY 19 O.S. 2011, Section 958, is amended to read as follows:

Section 958. The board of county commissioners of any county establishing a retirement fund and system under the provisions of this act is hereby authorized and empowered to make effective by resolution all provisions necessary to accomplish the purposes of

this act, and any amendments hereafter provided. Any such resolutions properly made in order to ensure compliance with qualification requirements for the retirement plan shall take precedence over any provisions of this act.

SECTION 4. This act shall become effective November 1, 2013.

Passed the Senate the 5th day of March, 2013.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2013.

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Presiding Officer of the House of Representatives