

FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1118 _____
Of the printed Bill

Page _____ Section _____ Lines _____
Of the Engrossed Bill

On page 2, line 23, by inserting the numeral "(1)" after the word "one" and before the word "year";

On page 3, lines 15-16 and lines 18-22 by restoring all stricken language and deleting all new language and by inserting on page 3, line 18 after the period "." following the word "service" the following language:

"For a member whose first employment with a participating employer of the System occurs on or after November 1, 2013, such date shall be the first day following the date the member completes twenty-two (22) years of credited service and has attained the age of at least fifty (50) years.";

On page 4, lines 2-7 by deleting all new language and by inserting on page 4, line 2 after the word "service" the following punctuation and language:

", or with respect to members who are required to complete twenty-two (22) years of service , the first day following the date the member terminates employment with more than twenty-two (22) years of service and who has also attained the age of at least fifty (50) years";

On page 10, line 3 ½, by inserting the following language:
(INSERT ATTACHED) and by renumbering subsequent sections;

On page 13, line 4, by deleting the language "through June 30, 2013";

On page 13, line 7, by deleting the date "July 1, 2013" and by inserting in lieu thereof the date "November 1, 2013";

On page 16, lines 15-16, by striking the language "for the fiscal year ending June 30, 2010, and for each fiscal year thereafter";

On page 16, line 20, by deleting the words and figure "Thirty-eight percent (38%) and by inserting in lieu thereof the words and figure "Thirty-six percent (36%"); and

By restoring the title

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Randy McDaniel

Adopted: _____

Reading Clerk

1 "SECTION __. AMENDATORY 11 O.S. 2011, Section 49-106.1,
2 is amended to read as follows:

3 Section 49-106.1 A. In lieu of terminating employment and
4 accepting a service retirement pension pursuant to Sections 49-101
5 and 49-106 of this title, any member of the Oklahoma Firefighters
6 Pension and Retirement System serving as an active firefighter in a
7 fire department of a participating municipality who has not less
8 than twenty (20) years of creditable service, or any member of the
9 Oklahoma Firefighters Pension and Retirement System whose first
10 employment with a participating employer of the System occurs on or
11 after November 1, 2013, and who has not less than twenty-two (22)
12 years of creditable service and who is eligible to receive a service
13 retirement pension may elect to participate in the Oklahoma
14 Firefighters Deferred Option Plan and defer the receipts of benefits
15 in accordance with the provisions of this section.

16 B. For purposes of this section, creditable service shall
17 include service credit reciprocally recognized pursuant to Sections
18 49-100.1 through 49-100.8 and Sections 49-101, 49-101.1 and 49-101.2
19 of this title but for eligibility purposes only.

20 C. The duration of participation in the Oklahoma Firefighters
21 Deferred Option Plan for active firefighters shall not exceed five
22 (5) years. Participation in the Oklahoma Firefighters Deferred
23 Option Plan must begin the first day of a month and end on the last
24 day of a month. At the conclusion of a member's participation in

1 the Oklahoma Firefighters Deferred Option Plan, the member shall
2 terminate employment with all participating municipalities as a
3 firefighter, and shall start receiving the member's accrued monthly
4 retirement benefit from the System. Such a member may be reemployed
5 by a participating municipality but only in a position not covered
6 under the System, and receive in-service distributions of such
7 member's accrued monthly retirement benefit from the System.

8 D. When a member begins participation in the Oklahoma
9 Firefighters Deferred Option Plan, the contribution of the member
10 shall cease. The employer contributions shall continue to be paid
11 in accordance with subsection B of Section 49-122 of this title.
12 Employer contributions for members who elect the Oklahoma
13 Firefighters Deferred Option Plan shall be credited equally to the
14 Oklahoma Firefighters Pension and Retirement System and to the
15 member's Oklahoma Firefighters Deferred Option Plan account. The
16 monthly retirement benefits that would have been payable had the
17 member elected to cease employment and receive a service retirement
18 shall be paid into the member's Oklahoma Firefighters Deferred
19 Option Plan account.

20 E. 1. A member who participates in this plan shall be eligible
21 to receive cost-of-living increases.

22 2. A member who participates in this plan shall earn interest
23 at a rate of two percentage points below the rate of return of the
24 investment portfolio of the System, but no less than the actuarial

1 assumed interest rate as certified by the actuary in the yearly
2 evaluation report of the actuary. The interest shall be credited to
3 the individual account balance of the member on an annual basis.

4 3. Effective November 1, 2013, a member whose first service
5 with a participating municipality of the System occurs on or after
6 November 1, 2013, and who participates for the first time in the
7 Deferred Retirement Option Plan on or after November 1, 2013, and
8 who elects to receive any other method of payment as approved by the
9 Board of Trustees, after completion of participation in the Deferred
10 Retirement Option Plan, shall earn interest at a rate equal to the
11 actual rate of return of the investment portfolio of the System,
12 less a minimum of one percentage point to offset administrative
13 costs of the System as determined by the System. A retired member
14 may leave their balance in the Deferred Retirement Option Plan
15 account until age 70 1/2, at which time the retired member shall
16 withdraw their entire Deferred Retirement Option Plan account
17 balance.

18 F. A member in the plan shall receive, at the option of the
19 member, a lump-sum payment from the account equal to the payments to
20 the account or an annuity based upon the account of the member or
21 may elect any other method of payment if approved by the Board of
22 Trustees. If a member becomes so physically or mentally disabled
23 while in, or in consequence of, the performance of his or her duty
24 as to prevent the effective performance of his or her duties that

1 the State Board approves an in-line-of-duty disability pension, the
2 payment from the account shall be an in-line-of-duty disability
3 payment. Notwithstanding any other provision contained herein to
4 the contrary, commencement of distributions under the Oklahoma
5 Firefighters Deferred Option Plan shall be no later than the time as
6 set forth in subsection B of Section 49-106 of this title.

7 G. If a member dies while maintaining an account balance in the
8 plan the System shall pay to the designated recipient or recipients
9 of the member, or if there is no designated recipient or if the
10 designated recipient predeceases the member, to the spouse of the
11 member, or if there is no spouse or if the spouse predeceases the
12 member, to the estate of the member a lump-sum payment equal to the
13 account balance of the member. If such member was receiving, or
14 eligible to receive, an in-line-of-duty disability pension at the
15 time of his or her death, payment of the account balance shall be an
16 in-line-of-duty disability payment. If a designated recipient is
17 the surviving spouse of the member, the surviving spouse shall
18 receive his or her portion of the account balance of the member
19 pursuant to subsection F of this section. The surviving spouse,
20 whether or not he or she is a designated recipient of the member,
21 may elect to receive his or her portion of the account balance of
22 the member in the same manner as was applicable to the member.

23 H. In lieu of participating in the Oklahoma Firefighters
24 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of

1 this section, a member may elect to participate in the Oklahoma
2 Firefighters Deferred Option Plan pursuant to this subsection as
3 follows:

4 1. For purposes of this subsection and subsection I of this
5 section, the following definitions shall apply:

6 a. "back drop date" means the member's normal retirement
7 date or the date five (5) years before the member
8 elects to participate in the Oklahoma Firefighters
9 Deferred Option Plan, whichever date is later,

10 b. "termination date" means the date the member elects to
11 participate in the Oklahoma Firefighters Deferred
12 Option Plan pursuant to this subsection, and the date
13 the member terminates employment with all
14 participating municipalities as an active firefighter,

15 c. "earlier attained credited service" means the credited
16 service earned by a member as of the back drop date,
17 and

18 d. "deferred benefit balance" means all monthly
19 retirement benefits that would have been payable had
20 the member elected to cease employment on the back
21 drop date and receive a service retirement from the
22 back drop date to the termination date, all the
23 member's contributions and one-half (1/2) of the
24 employer contributions from the back drop date to the

1 termination date, with interest based on how the
2 benefit would have accumulated on a compound annual
3 basis as if the member had participated in the
4 Oklahoma Firefighters Deferred Option Plan pursuant to
5 subsections A, B, C, D, E and F of this section from
6 the back drop date to the termination date; and

7 2. At the termination date, the monthly pension benefit shall
8 be determined based on earlier attained credited service and on the
9 final average salary as of the back drop date. The member's
10 individual deferred option account shall be credited with an amount
11 equal to the deferred benefit balance, the member shall terminate
12 employment with all participating municipalities as a firefighter,
13 and shall start receiving the member's accrued monthly retirement
14 benefit from the System. Such a member may be reemployed by a
15 participating municipality but only in a position not covered under
16 the System, and receive in-service distributions of such member's
17 accrued monthly retirement benefit from the System. The provisions
18 of subsections B, C, E, F and G of this section shall apply to this
19 subsection. A member shall not participate in the Oklahoma
20 Firefighters Deferred Option Plan pursuant to this subsection if the
21 member has elected to participate in the Oklahoma Firefighters
22 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of
23 this section.

1 I. Certain surviving spouses and members shall be eligible to
2 participate in the Oklahoma Firefighters Deferred Option Plan
3 pursuant to subsection H of this section and this subsection.

4 1. For purposes of this subsection, the following definitions
5 shall apply:

- 6 a. "back drop election date" means the date the surviving
7 spouse or member elects to commence participation in
8 the Oklahoma Firefighters Deferred Option Plan
9 pursuant to subsection H of this section and this
10 subsection,
- 11 b. "interest" means the actuarial assumed interest rate
12 as certified by the actuary in the yearly evaluation
13 report of the actuary,
- 14 c. "monthly adjustment amount" means the difference
15 between the monthly pension prior to the back drop
16 election and the adjusted monthly pension due to the
17 back drop election,
- 18 d. "back drop pension adjustment amount" means the sum of
19 all the monthly adjustment amounts adjusted for
20 interest from the pension commencement date to the
21 back drop election date, and
- 22 e. "deferred benefit balance adjustment amount" means the
23 interest on the deferred benefit balance from the
24

1 pension commencement date to the back drop election
2 date.

3 2. If a member who has more than twenty (20) years of
4 creditable service and is eligible to receive a service retirement
5 pension dies on or after June 4, 2007, and prior to terminating
6 employment, the member's surviving spouse shall be eligible to elect
7 to receive a benefit determined as if the member had elected to
8 participate in the Oklahoma Firefighters Deferred Option Plan in
9 accordance with subsection H of this section on the day immediately
10 preceding such member's death. Prior to July 1, 2010, the surviving
11 spouse must make any such election within one (1) year from the date
12 of the member's death. Effective July 1, 2010, the surviving spouse
13 must make any such election within ninety (90) days from the date of
14 the member's death. If on or after June 4, 2007, such election is
15 made, the monthly pension such surviving spouse is entitled to
16 receive shall be adjusted in accordance with the provisions of
17 subsection H of this section to account for the member's
18 participation in the Oklahoma Firefighters Deferred Option Plan.
19 The surviving spouse may only make this election if the member has
20 not previously elected to participate in the Oklahoma Firefighters
21 Deferred Option Plan. For purposes of this election, the surviving
22 spouse must have been married to the firefighter for the thirty (30)
23 continuous months preceding the firefighter's death; provided, the
24 surviving spouse of a member who died while in, or as a consequence

1 of, the performance of the member's duty for a participating
2 municipality shall not be subject to the marriage limitation for
3 this election.

4 3. If a member has more than twenty (20) years of creditable
5 service and is eligible for a retirement for disability monthly
6 pension pursuant to Section 49-109 of this title on or after June 4,
7 2007, such member shall be eligible to elect to receive a benefit
8 determined as if the member had elected to participate in the
9 Oklahoma Firefighters Deferred Option Plan, in accordance with
10 subsection H of this section, on the day immediately preceding the
11 date of the member's disability retirement, provided such election
12 is made within two (2) years from the date of the member's
13 disability retirement. The disability monthly pension such member
14 is receiving, or entitled to receive, shall be adjusted in
15 accordance with the provisions of subsection H of this section to
16 account for the member's participation in the Oklahoma Firefighters
17 Deferred Option Plan. The deferred benefit balance such member is
18 entitled to receive shall be reduced by the back drop pension
19 adjustment amount and increased by the deferred benefit balance
20 adjustment amount. The member may only make a back drop election if
21 the deferred benefit balance after the adjustment described in this
22 paragraph is greater than Zero Dollars (\$0.00). The member may only
23 make this election if the member has not previously elected to
24 participate in the Oklahoma Firefighters Deferred Option Plan.

1 4. If a member has more than twenty (20) years of creditable
2 service and filed a grievance for wrongful termination occurring on
3 or after June 4, 2007, but is not reinstated as an active member,
4 such member shall be eligible to elect to receive a benefit
5 determined as if the member had elected to participate in the
6 Oklahoma Firefighters Deferred Option Plan in accordance with
7 subsection H of this section on the day immediately preceding the
8 date of the member's termination. Such election must be made within
9 two (2) years from the date of the member's termination as an active
10 member and, if the member's case pertaining to the member's
11 termination is on appeal to a court of competent jurisdiction,
12 within such period set by the State Board in its sole discretion.
13 The monthly pension such member is receiving, or entitled to
14 receive, shall be adjusted in accordance with the provisions of
15 subsection H of this section to account for the member's
16 participation in the Oklahoma Firefighters Deferred Option Plan.
17 The deferred benefit balance such member is entitled to receive
18 shall be reduced by the back drop pension adjustment amount and
19 increased by the deferred benefit balance adjustment amount. The
20 member may only make a back drop election if the deferred benefit
21 balance after the adjustment described in this paragraph is greater
22 than Zero Dollars (\$0.00). The member may only make this election
23 if the member has not previously elected to participate in the
24 Oklahoma Firefighters Deferred Option Plan.

1 5. Subparagraphs d and e of paragraph 1 and paragraphs 3 and 4
2 of this subsection are effective June 4, 2007, provided the Internal
3 Revenue Service issues a favorable determination letter for the
4 System which includes the provisions of such subparagraphs and
5 paragraphs without modification or as modified to conform to any
6 changes required by the Internal Revenue Service as part of its
7 determination letter review process. In the event the Internal
8 Revenue Service does not issue such a determination letter which
9 includes the provisions of such subparagraphs or paragraphs without
10 modification or as modified to conform to any changes required by
11 the Internal Revenue Service as part of its determination letter
12 review process, then subparagraphs d and e of paragraph 1 and
13 paragraphs 3 and 4 of this subsection shall be repealed effective
14 June 4, 2007.

15 SECTION __. AMENDATORY 11 O.S. 2011, Section 49-117.1,
16 is amended to read as follows:

17 Section 49-117.1 A. A member who terminates service before
18 normal retirement date, other than by death or disability shall,
19 upon application filed with the State Board, be refunded from the
20 Fund an amount equal to the accumulated contributions the member has
21 made to the Fund, but excluding any interest or any amount
22 contributed by the municipality or state.

23 B. If a member, other than a member whose first employment with
24 a participating employer of the System occurs prior to November 1,

1 2013, has completed ten (10) years of credited service at the date
2 of termination, the member may elect a vested benefit in lieu of
3 receiving the member's accumulated contributions.

4 C. If a member whose first employment with a participating
5 employer of the System occurs on or after November 1, 2013, has
6 completed eleven (11) years of credited service at the date of
7 termination, the member may elect a vested benefit in lieu of
8 receiving the member's accumulated contributions.

9 D. If the member who has completed ten (10) or more years of
10 credited service as prescribed by subsection B of this section
11 elects the vested benefit, the member shall be entitled to a monthly
12 retirement annuity commencing on the date the member reaches fifty
13 (50) years of age or the date the member would have had twenty (20)
14 years of credited service had the member's employment continued
15 uninterrupted, whichever is later. The annual amount of such
16 retirement annuity shall be equal to two and one-half percent (2
17 1/2%) of final average salary multiplied by the number of years of
18 credited service. The death benefits provided for in this article
19 shall not apply to any member retiring under the provisions of this
20 section.

21 E. If the member who has completed eleven (11) or more years of
22 credited service as prescribed by subsection C of this section
23 elects the vested benefit, the member shall be entitled to a monthly
24 retirement annuity commencing on the date the member reaches fifty

1 (50) years of age or the date the member would have had twenty-two
2 (22) years of credited service had the member's employment continued
3 uninterrupted, whichever is later. The annual amount of such
4 retirement annuity shall be equal to two and one-half percent (2
5 1/2%) of final average salary multiplied by the number of years of
6 credited service. The death benefits provided for in this article
7 shall not apply to any member retiring under the provisions of this
8 section.

9 F. If a member who terminates employment and elects a vested
10 benefit dies prior to being eligible to receive benefits, the
11 member's beneficiary shall be entitled to the member's normal
12 monthly retirement benefit on the date the deceased member would
13 have been eligible to receive the benefit.

14 G. If a member terminates employment and withdraws the member's
15 accumulated contributions and then subsequently rejoins the System,
16 he may pay to the System the sum of the accumulated contributions he
17 has withdrawn plus five percent (5%) annual interest from the date
18 of withdrawal and shall receive the same benefits as if he had never
19 withdrawn his contributions; however, effective January 1, 1991, the
20 rate of interest provided herein shall be ten percent (10%) per
21 annum.

22 H. Effective January 1, 2002, lump-sum payments for repayment
23 of any amounts received because of a member's prior termination with
24 interest may be repaid by a trustee-to-trustee transfer from a Code

1 Section 403(b) annuity, a governmental Code Section 457 plan, and/or
2 a Code Section 401(a) qualified plan.

3 I. A firefighter shall not be permitted to withdraw from the
4 System while employed as a firefighter in a participating
5 municipality.”

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