

HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

HOUSE BILL 1325

By: McDaniel (Randy) of the House

and

Brinkley of the Senate

AS INTRODUCED

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:

1 SECTION 1. AMENDATORY 74 O.S. 2011, Section 902, is
2 amended to read as follows:

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

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

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

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

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

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

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

18 (7) "Beneficiary" means any person named by a member to receive
19 any benefits as provided for by Section 901 et seq. of this title.

20 If there is no beneficiary living at time of member employee's
21 death, the member's estate shall be the beneficiary;

22 (8) "Board" means the Oklahoma Public Employees Retirement
23 System Board of Trustees;

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1 (9) "Compensation" means all salary and wages, as defined by
2 the Board of Trustees, including amounts deferred under deferred
3 compensation agreements entered into between a member and a
4 participating employer, but exclusive of payment for overtime,
5 payable to a member of the System for personal services performed
6 for a participating employer but shall not include compensation or
7 reimbursement for traveling, or moving expenses, or any compensation
8 in excess of the maximum compensation level, provided:

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

12 For compensation for service on or after January 1,
13 1988, through June 30, 1994, the maximum compensation
14 level shall be Forty Thousand Dollars (\$40,000.00) per
15 annum.

16 For compensation for service on or after July 1, 1994,
17 through June 30, 1995, the maximum compensation level
18 shall be Fifty Thousand Dollars (\$50,000.00) per
19 annum; for compensation for service on or after July
20 1, 1995, through June 30, 1996, the maximum
21 compensation level shall be Sixty Thousand Dollars
22 (\$60,000.00) per annum; for compensation for service
23 on or after July 1, 1996, through June 30, 1997, the
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1 maximum compensation level shall be Seventy Thousand
2 Dollars (\$70,000.00) per annum; and for compensation
3 for service on or after July 1, 1997, through June 30,
4 1998, the maximum compensation level shall be Eighty
5 Thousand Dollars (\$80,000.00) per annum. For
6 compensation for services on or after July 1, 1998,
7 there shall be no maximum compensation level for
8 retirement purposes.

9 (b) Compensation for retirement purposes shall include any
10 amount of elective salary reduction under Section 457
11 of the Internal Revenue Code of 1986 and any amount of
12 nonelective salary reduction under Section 414(h) of
13 the Internal Revenue Code of 1986.

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

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

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

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

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

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

7 (a) If a class or several classes of employees of any
8 above-defined employers are covered by Social Security
9 and are not covered by or eligible for and will not
10 become eligible for another retirement plan authorized
11 under the laws of this state, which is in operation on
12 the effective date, such employer shall be deemed an
13 eligible employer, but only with respect to that class
14 or those classes of employees as defined in this
15 section.

16 (b) A class or several classes of employees who are
17 covered by Social Security and are not covered by or
18 eligible for and will not become eligible for another
19 retirement plan authorized under the laws of this
20 state, which is in operation on the effective date,
21 and when the qualifications for employment in such
22 class or classes are set by state law; and when such
23 class or classes of employees are employed by a county
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1 or municipal government pursuant to such
2 qualifications; and when the services provided by such
3 employees are of such nature that they qualify for
4 matching by or contributions from state or federal
5 funds administered by an agency of state government
6 which qualifies as a participating employer, then the
7 agency of state government administering the state or
8 federal funds shall be deemed an eligible employer,
9 but only with respect to that class or those classes
10 of employees as defined in this subsection; provided,
11 that the required contributions to the retirement plan
12 may be withheld from the contributions of state or
13 federal funds administered by the state agency and
14 transmitted to the System on the same basis as the
15 employee and employer contributions are transmitted
16 for the direct employees of the state agency. The
17 retirement or eligibility for retirement under the
18 provisions of law providing pensions for service as a
19 volunteer fire fighter shall not render any person
20 ineligible for participation in the benefits provided
21 for in Section 901 et seq. of this title. An employee
22 of any public or private trust in which a county, city
23 or town participates and is the primary beneficiary

1 shall be deemed to be an eligible employee for the
2 purpose of this act only.

3 (c) All employees of the George Nigh Rehabilitation
4 Institute who elected to retain membership in the
5 System, pursuant to Section 913.7 of this title, shall
6 continue to be eligible employees for the purposes of
7 this act. The George Nigh Rehabilitation Institute
8 shall be considered a participating employer only for
9 such employees.

10 (d) A participating employer of the Teachers' Retirement
11 System of Oklahoma, who has one or more employees who
12 have made an election pursuant to enabling legislation
13 to retain membership in the System as a result of
14 change in administration, shall be considered a
15 participating employer of the Oklahoma Public
16 Employees Retirement System only for such employees;

17 (14) "Employee" means any officer or employee of a
18 participating employer, whose employment is not seasonal or
19 temporary and whose employment requires at least one thousand
20 (1,000) hours of work per year and whose salary or wage is equal to
21 the hourly rate of the monthly minimum wage for state employees.
22 For those eligible employers outlined in Section 910 of this title,
23 the rate shall be equal to the hourly rate of the monthly minimum
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1 wage for that employer. Each employer, whose minimum wage is less
2 than the state's minimum wage, shall inform the System of the
3 minimum wage for that employer. This notification shall be by
4 resolution of the governing body.

5 (a) Any employee of the county extension agents who is not
6 currently participating in the Teachers' Retirement
7 System of Oklahoma shall be a member of this System.

8 (b) Eligibility shall not include any employee who is a
9 contributing member of the United States Civil Service
10 Retirement System.

11 (c) It shall be mandatory for an officer, appointee or
12 employee of the office of district attorney to become
13 a member of this System if he or she is not currently
14 participating in a county retirement system. Provided
15 further, that if an officer, appointee or employee of
16 the office of district attorney is currently
17 participating in such county retirement system, he or
18 she is ineligible for this System as long as he or she
19 is eligible for such county retirement system. Any
20 eligible officer, appointee or employee of the office
21 of district attorney shall be given credit for prior
22 service as defined in this section. The provisions
23 outlined in Section 917 of this title shall apply to
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1 those employees who have previously withdrawn their
2 contributions.

3 (d) Eligibility shall also not include any officer or
4 employee of the Oklahoma Employment Security
5 Commission, except for those officers and employees of
6 the Commission electing to transfer to this System
7 pursuant to the provisions of Section 910.1 of this
8 title or any other class of officers or employees
9 specifically exempted by the laws of this state,
10 unless there be a consolidation as provided by Section
11 912 of this title. Employees of the Oklahoma
12 Employment Security Commission who are ineligible for
13 enrollment in the Employment Security Commission
14 Retirement Plan, that was in effect on January 1,
15 1964, shall become members of this System.

16 (e) Any employee employed by the Legislative Service
17 Bureau, State Senate or House of Representatives for
18 the full duration of a regular legislative session
19 shall be eligible for membership in the System
20 regardless of classification as a temporary employee
21 and may participate in the System during the regular
22 legislative session at the option of the employee.
23 For purposes of this subparagraph, the determination
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1 of whether an employee is employed for the full
2 duration of a regular legislative session shall be
3 made by the Legislative Service Bureau if such
4 employee is employed by the Legislative Service
5 Bureau, the State Senate if such employee is employed
6 by the State Senate, or by the House of
7 Representatives if such employee is employed by the
8 House of Representatives. Each regular legislative
9 session during which the legislative employee or an
10 employee of the Legislative Service Bureau
11 participates full time shall be counted as six (6)
12 months of full-time participating service.

13 (i) Except as otherwise provided by this
14 subparagraph, once a temporary session employee
15 makes a choice to participate or not, the choice
16 shall be binding for all future legislative
17 sessions during which the employee is employed.

18 (ii) Notwithstanding the provisions of division (i) of
19 this subparagraph, any employee, who is eligible
20 for membership in the System because of the
21 provisions of this subparagraph and who was
22 employed by the State Senate or House of
23 Representatives after January 1, 1989, may file
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1 an election, in a manner specified by the Board,
2 to participate as a member of the System prior to
3 September 1, 1989.

4 (iii) Notwithstanding the provisions of division (i) of
5 this subparagraph, a temporary legislative
6 session employee who elected to become a member
7 of the System may withdraw from the System
8 effective the day said employee elected to
9 participate in the System upon written request to
10 the Board. Any such request must be received by
11 the Board prior to October 1, 1990. All employee
12 contributions made by the temporary legislative
13 session employee shall be returned to the
14 employee without interest within four (4) months
15 of receipt of the written request.

16 (iv) A member of the System who did not initially
17 elect to participate as a member of the System
18 pursuant to this subparagraph ~~(e) of this~~
19 ~~paragraph~~ shall be able to acquire service
20 performed as a temporary legislative session
21 employee for periods of service performed prior
22 to the date upon which the person became a member
23 of the System if:

- 1 a. the member files an election with the System
2 not later than December 31, 2000, to
3 purchase the prior service; and
- 4 b. the member makes payment to the System of
5 the actuarial cost of the service credit
6 pursuant to subsection A of Section 913.5 of
7 this title. The provisions of Section 913.5
8 of this title shall be applicable to the
9 purchase of the service credit, including
10 the provisions for determining service
11 credit in the event of incomplete payment
12 due to cessation of payments, death,
13 termination of employment or retirement, but
14 the payment may extend for a period not to
15 exceed ninety-six (96) months;

16 (15) "Entry date" means the date on which an eligible employer
17 joins the System. The first entry date pursuant to Section 901 et
18 seq. of this title shall be January 1, 1964;

19 (16) "Executive Director" means the managing officer of the
20 System employed by the Board under Section 901 et seq. of this
21 title;

1 (17) "Federal Internal Revenue Code" means the federal Internal
2 Revenue Code of 1954 or 1986, as amended and as applicable to a
3 governmental plan as in effect on July 1, 1999;

4 (18) "Final average compensation" means the average annual
5 compensation, including amounts deferred under deferred compensation
6 agreements entered into between a member and a participating
7 employer, up to, but not exceeding the maximum compensation levels
8 as provided in paragraph (9) of this section received during the
9 highest three (3) of the last ten (10) years of participating
10 service immediately preceding retirement or termination of
11 employment and with respect to members whose first participating
12 service occurs on or after July 1, 2013, the compensation received
13 during the highest five (5) of the last ten (10) years of
14 participating service immediately preceding retirement or
15 termination of employment. Provided, no member shall retire with a
16 final average compensation unless the member has made the required
17 contributions on such compensation, as defined by the Board of
18 Trustees;

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

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

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

7 (22) "Member" means an eligible employee or elected official
8 who is in the System and is making the required employee or elected
9 official contributions, or any former employee or elected official
10 who shall have made the required contributions to the System and
11 shall have not received a refund or withdrawal;

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

17 (a) during the following periods, including the beginning
18 and ending dates, and only for the periods served,
19 from:

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

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

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- 1 (iii) December 7, 1941, to December 31, 1946, commonly
2 referred to as World War II,
- 3 (iv) June 27, 1950, to January 31, 1955, commonly
4 referred to as the Korean Conflict or the Korean
5 War,
- 6 (v) February 28, 1961, to May 7, 1975, commonly
7 referred to as the Vietnam era, except that:
8 a. for the period from February 28, 1961, to
9 August 4, 1964, military service shall only
10 include service in the Republic of Vietnam
11 during that period, and
12 b. for purposes of determining eligibility for
13 education and training benefits, such period
14 shall end on December 31, 1976, or
- 15 (vi) August 1, 1990, to December 31, 1991, commonly
16 referred to as the Gulf War, the Persian Gulf
17 War, or Operation Desert Storm, but excluding any
18 person who served on active duty for training
19 only, unless discharged from such active duty for
20 a service-connected disability;
- 21 (b) during a period of war or combat military operation
22 other than a conflict, war or era listed in
23 subparagraph (a) of this paragraph, beginning on the
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1 date of Congressional authorization, Congressional
2 resolution, or Executive Order of the President of the
3 United States, for the use of the Armed Forces of the
4 United States in a war or combat military operation,
5 if such war or combat military operation lasted for a
6 period of ninety (90) days or more, for a person who
7 served, and only for the period served, in the area of
8 responsibility of the war or combat military
9 operation, but excluding a person who served on active
10 duty for training only, unless discharged from such
11 active duty for a service-connected disability, and
12 provided that the burden of proof of military service
13 during this period shall be with the member, who must
14 present appropriate documentation establishing such
15 service.

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

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

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

8 (1) sixty-second birthday with respect to members
9 whose first participating service occurs prior to
10 November 1, 2011, or

11 (2) sixty-fifth birthday with respect to members
12 whose first participating service occurs on or
13 after November 1, 2011, or with respect to
14 members whose first participating service occurs
15 on or after November 1, 2011, reaches a minimum
16 age of sixty (60) years and who also reaches a
17 normal retirement date pursuant to subparagraph c
18 of this paragraph,

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

8 (c) for any person who became a member after June 30,
9 1992, but prior to November 1, 2011, and who does not
10 reach a normal retirement date pursuant to division
11 (1) of subparagraph (a) of this paragraph, the first
12 day of the month coinciding with or following the date
13 at which the sum of a member's age and number of years
14 of credited service total ninety (90),

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

19 (i) a correctional or probation and parole officer
20 with the Department of Corrections and at the
21 time of retirement, the member was a correctional
22 or probation and parole officer with the
23 Department of Corrections, or

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

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

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

14 (f) for any member who was continuously employed by an
15 entity or institution within The Oklahoma State System
16 of Higher Education and whose initial employment with
17 such entity or institution was prior to July 1, 1992,
18 and who without a break in service of more than thirty
19 (30) days became employed by an employer participating
20 in the Oklahoma Public Employees Retirement System,
21 the first day of the month coinciding with or
22 following the date at which the sum of the member's
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1 age and number of years of credited service total
2 eighty (80);

3 (25) "Participating employer" means an eligible employer who
4 has agreed to make contributions to the System on behalf of its
5 employees;

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

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

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

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

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

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

3 (32) "Total disability" means a physical or mental disability
4 accepted for disability benefits by the Federal Social Security
5 System;

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

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

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

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

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

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

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

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

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

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

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

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

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1 Such additional benefits shall be calculated each year based upon
2 additional service accrued from July 1 to June 30 of the previous
3 year and the additional benefit, if any, will be added to the
4 retiree's monthly benefit beginning January 1, 2000, and each
5 January 1 thereafter. However, the post-retirement service credit
6 shall be cumulative, beginning with service credit accrued after the
7 date of retirement, provided that the retiree has not received a
8 distribution of the post-retirement contributions.

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

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1 reemployment. A retiree who has waived receipt of the monthly
2 benefit, but is not reemployed for the full thirty-six (36)
3 consecutive months, shall upon termination of such reemployment have
4 only the additional amount added to his or her benefit as if they
5 had not waived the benefit as provided in paragraph 1 of this
6 subsection.

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

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

3 F. Except as otherwise provided by subsection G of this
 4 section, any member may elect to retire before his or her normal
 5 retirement date on the first day of any month coinciding with or
 6 following the attainment of age fifty-five (55), provided such
 7 member has completed ten (10) years of participating service, but in
 8 no event before six (6) months after the entry date. Any member who
 9 shall retire before the normal retirement date shall receive an
 10 annual retirement benefit adjusted in accordance with the following
 11 percentage schedule:

Age	Percentage of Normal Retirement Benefit
62	100.00%
61	93.33%
60	86.67%
59	80.00%
58	73.33%
57	66.67%
56	63.33%
55	60.00%

22 G. Any member whose first participating service occurs on or
 23 after November 1, 2011, may elect to retire before his or her normal
 24

1 retirement date on the first day of any month coinciding with or
 2 following the attainment of age sixty (60), provided such member has
 3 completed ten (10) years of participating service, but in no event
 4 before six (6) months after the entry date. Any member who shall
 5 retire before the normal retirement date shall receive an annual
 6 retirement benefit adjusted in accordance with the following
 7 percentage schedule:

8		Percentage of Normal
9	Age	Retirement Benefit
10	65	100.00%
11	64	93.33%
12	63	86.67%
13	62	80.00%
14	61	73.33%
15	60	66.67%

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

18 Section 915. A. (1) Except as otherwise provided in this
 19 subsection and as provided for elected officials in Section 913.4 of
 20 this title, any member who shall retire on or after the member's
 21 normal retirement date shall be entitled to receive an annual
 22 retirement benefit equal to two percent (2%) of the member's final
 23 average compensation as determined pursuant to paragraph (18) of
 24

1 Section 902 of this title, multiplied by the number of years of
2 credited service that has been credited to the member in accordance
3 with the provisions of Section 913 of this title other than years
4 credited pursuant to paragraph (2) of this subsection.

5 (2) Effective January 1, 2004, except as otherwise provided for
6 elected officials in Section 913.4 of this title and except for
7 those members making contributions pursuant to paragraphs (c), (d)
8 and (e) of subsection (1) of Section 919.1 of this title, any member
9 who shall retire shall be entitled to receive an annual retirement
10 benefit equal to two and one-half percent (2 1/2%) of the member's
11 final average compensation as determined pursuant to paragraph (18)
12 of Section 902 of this title, multiplied by the number of full years
13 of participating service after January 1, 2004, that have been
14 credited to the member in accordance with the provisions of Section
15 913 of this title and only for those full years of participating
16 service for which contributions have been made pursuant to paragraph
17 ~~(f)~~ (e) of subsection (1) of Section 919.1 of this title. The two
18 and one-half percent (2 1/2%) multiplier shall not apply to
19 purchased service, purchased or granted military service or
20 transferred service. In order to receive the two and one-half
21 percent (2 1/2%) multiplier in computing retirement benefits, an
22 active member shall make an irrevocable written election to pay the
23 contributions pursuant to paragraph ~~(f)~~ (e) of subsection (1) of
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1 Section 919.1 of this title. The two and one-half percent (2 1/2%)
2 multiplier pursuant to this paragraph shall not apply to additional
3 years of service credit attributed to sick leave pursuant to
4 paragraph 7 of subsection B of Section 913 of this title and
5 fractional years pursuant to subsection C of Section 913 of this
6 title and shall be attributable only to the participating service
7 credited after the election of the member.

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

- 10 a. and who had twenty (20) or more years of credited
11 service within the System as of the member's
12 retirement date shall be no less than Thirteen
13 Thousand Eight Hundred Dollars (\$13,800.00) per annum,
- 14 b. and who had at least fifteen (15) but not more than
15 nineteen (19) years of credited service within the
16 System as of the member's retirement date shall be no
17 less than Six Thousand Nine Hundred Dollars
18 (\$6,900.00) per annum,
- 19 c. and who had less than fifteen (15) years of credited
20 service within the System as of the member's
21 retirement date shall not be eligible for any minimum
22 amount of final average compensation and the member's
23 final average compensation shall be the final average
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1 compensation as defined by paragraph (18) of Section
2 902 of this title,

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

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

1 quarter percent (2 1/4%) of the final average compensation of the
2 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and
3 two percent (2%) of the final average salary in excess of Twenty-
4 five Thousand Dollars (\$25,000.00) but not exceeding the maximum
5 compensation level as provided in paragraph (9) of Section 902 of
6 this title, multiplied by the number of years of such service and
7 any years in excess of twenty (20) years as such an officer or years
8 credited to the member in accordance with the provisions of Section
9 913 of this title shall be calculated for retirement purposes at two
10 percent (2%) of the final average compensation of the member
11 multiplied by the number of years of such service. Any person who
12 contributes to the System as a correctional officer or a probation
13 and parole officer as provided in paragraph (c) of subsection (1) of
14 Section 919.1 of this title, on or before June 30, 2000, but who
15 does not make such contributions after June 30, 2000, and who does
16 not qualify for normal retirement under subparagraph (c) of
17 paragraph (24) of Section 902 of this title shall have retirement
18 benefits for each year of full-time-equivalent participating service
19 as a correctional or a probation and parole officer after July 1,
20 1990, computed on two and one-half percent (2 1/2%) of the final
21 average compensation based upon those years as a correctional
22 officer or a probation and parole officer. Provided, further, any
23 fugitive apprehension agent shall be entitled to receive benefits as

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1 outlined in this act for service as a fugitive apprehension agent
2 prior to July 1, 2002, only upon payment to the System of the
3 employee contributions which would have been paid if such fugitive
4 apprehension agent had been covered by this section prior to the
5 effective date of this act, plus interest of not to exceed ten
6 percent (10%) as determined by the Board. The Department of
7 Corrections may make the employee contribution and interest payment
8 on behalf of such member.

9 (6) Any member who is a correctional officer, a probation and
10 parole officer or a fugitive apprehension agent employed by the
11 Department of Corrections at the time of retirement and who retires
12 on or after July 1, 2002, shall be entitled to receive an annual
13 retirement benefit equal to two and one-half percent (2 1/2%) of the
14 final average compensation of the member, but not exceeding the
15 maximum compensation level as provided in paragraph (18) of Section
16 902 of this title, multiplied by the number of years of service as a
17 correctional officer, a probation and parole officer or a fugitive
18 apprehension agent, and any years in excess of twenty (20) years as
19 such an officer or agent, or years credited to the member in
20 accordance with the provisions of Section 913 of this title, shall
21 be calculated for retirement purposes at two percent (2%) of the
22 final average compensation of the member multiplied by the number of
23 years of such service. For purposes of this paragraph, "final

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

19 (7) Any member who is a correctional officer, a probation and
20 parole officer or a fugitive apprehension agent who has at least
21 five (5) years of service as a correctional officer, a probation and
22 parole officer or a fugitive apprehension agent who is in such
23 position on June 30, 2004, or who is hired after June 30, 2004, in
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1 such position, and who receives a promotion or change in job
2 classification after June 30, 2004, to another position in the
3 Department of Corrections, and who is employed by the Department of
4 Corrections at the time of retirement and who retires on or after
5 July 1, 2004, shall be entitled to receive an annual retirement
6 benefit equal to two and one-half percent (2 1/2%) of the final
7 average compensation of the member, but not exceeding the maximum
8 compensation level as provided in paragraph (18) of Section 902 of
9 this title, multiplied by the number of years of service with the
10 Department of Corrections and any years in excess of twenty (20)
11 years with the Department or years credited to the member in
12 accordance with the provisions of Section 913 of this title, shall
13 be calculated for retirement purposes at two percent (2%) of the
14 final average compensation of the member multiplied by the number of
15 years of such service. For purposes of this paragraph, "final
16 average compensation" shall be determined by computing the average
17 annual salary, in the manner prescribed by paragraph (18) of Section
18 902 of this title, for the highest three (3) years of the last ten
19 (10) years of participating service immediately preceding retirement
20 or termination of employment for all years of service performed by
21 such member with the Department. "Final average compensation" shall
22 be determined by computing the average annual salary for the highest
23 five (5) of the last ten (10) years of participating service

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1 immediately preceding retirement or termination of employment, with
2 respect to members whose first participating service occurs on or
3 after July 1, 2013.

4 (8) Any person who contributed to the System as a correctional
5 officer, a probation and parole officer or a fugitive apprehension
6 agent as provided in paragraphs (c) or (d) of subsection (1) of
7 Section 919.1 of this title, and who retires under normal retirement
8 or early retirement on or after January 1, 2004, under paragraph
9 (24) of Section 902 of this title shall have retirement benefits for
10 each year of full-time-equivalent participating service as a
11 correctional officer, a probation and parole officer or a fugitive
12 apprehension agent, computed on two and one-half percent (2 1/2%) of
13 the final average compensation based upon those years as a
14 correctional officer, a probation and parole officer or a fugitive
15 apprehension agent. For purposes of this paragraph, "final average
16 compensation" shall be determined by computing the average annual
17 salary, in the manner prescribed by paragraph (18) of Section 902 of
18 this title, for the highest three (3) years of the last ten (10)
19 years of participating service immediately preceding retirement or
20 termination of employment for all years of service performed by such
21 member, both for years of service performed as a correctional
22 officer, probation and parole officer or fugitive apprehension
23 agent, not in excess of twenty (20) years, and for years of service

1 performed in excess of twenty (20) years, whether as a correctional
2 officer, probation and parole officer, fugitive apprehension agent
3 or other position unless the computation of benefits would result in
4 a lower retirement benefit amount than if final average compensation
5 were to be computed as otherwise provided by this paragraph. “Final
6 average compensation” shall be determined by computing the average
7 annual salary for the highest five (5) of the last ten (10) years of
8 participating service immediately preceding retirement or
9 termination of employment, with respect to members whose first
10 participating service occurs on or after July 1, 2013.

11 (9) Any member who is:

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

11 (2) a firefighter who performs firefighting services
12 for the Oklahoma Military Department prior to
13 July 1, 2002, and who makes the election in
14 division (1) of this subparagraph may also make
15 an election in writing on a form prescribed for
16 this purpose by the System not later than
17 December 31, 2002, to receive a retirement
18 benefit based upon two and one-half percent (2
19 1/2%) of the final average compensation of the
20 member multiplied by the number of years of
21 service as a firefighter with the Oklahoma
22 Military Department prior to July 1, 2002. The
23 election authorized by this subdivision shall be
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1 irrevocable once the election is filed with the
2 System. Retirement benefits shall be calculated
3 based upon the two and one-half percent (2 1/2%)
4 multiplier upon payment being made pursuant to
5 Section 913.5 of this title.

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

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

14 (12) Pursuant to the rules established by the Board, a retiree
15 receiving monthly benefits from the System may authorize warrant
16 deductions for any products currently offered to active state
17 employees through the Employees Benefits Council, provided that
18 product is offered to state retirees as a group and has a minimum
19 participation of five hundred state retirees. The System has no
20 responsibility for the marketing, enrolling or administration of
21 such products, but shall retain a processing fee of two percent (2%)
22 of the gross deductions for the products. Retirement benefit
23 deductions shall be made for membership dues for any statewide

1 association for which payroll deductions are authorized pursuant to
2 subsection B of Section ~~7.10~~ 34.70 of Title 62 of the Oklahoma
3 Statutes for retired members of any state-supported retirement
4 system, upon proper authorization given by the member to the board
5 from which the member or beneficiary is currently receiving
6 retirement benefits.

7 B. A member shall be considered disabled if such member
8 qualifies for the payment of Social Security disability benefits, or
9 the payment of benefits pursuant to the Railroad Retirement Act of
10 1974, Section 231 et seq. of Title 45 of the United States Code, and
11 shall be eligible for benefits hereunder upon proof of such
12 disability, provided such member is an active regularly scheduled
13 employee with a participating employer at the time of injury or
14 inception of illness or disease resulting in subsequent
15 certification of eligibility for Social Security disability benefits
16 by reason of such injury, illness or disease, providing such
17 disability is certified by the Social Security Administration within
18 one (1) year after the last date physically on the job and after
19 completion of at least eight (8) years of participating service or
20 combined prior and participating service or resulting in subsequent
21 certification of eligibility of disability by the Railroad
22 Retirement Board providing such certification is made by the
23 Railroad Retirement Board within one (1) year after the last date

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

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1 of disability shall be restored, and future benefits shall be
2 determined accordingly.

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

16 D. Any actively participating member of the System on or after
17 July 1, 1998, except for those employees provided in subparagraph
18 (e) of paragraph (14) of Section 902 of this title, whose employment
19 is less than full-time, shall have his or her final average
20 compensation calculated on an annualized basis using his or her
21 hourly wage subject to the maximum compensation limits; provided,
22 however, any such member who has at least three (3) years of full-
23 time employment during the last ten (10) years immediately preceding
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1 termination or retirement shall not be eligible for the
2 annualization provisions contained herein. The Board of Trustees
3 shall promulgate such administrative rules as are necessary to
4 implement the provisions of this subsection.

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

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

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

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

9 a. the member's valid last will and testament, trust
 10 documents or affidavit that a will does not exist,

11 b. an affidavit or affidavits of heirship which must
 12 state:

13 (1) the names and signatures of all claiming heirs to
 14 the deceased member's estate including the
 15 claiming heirs' names, relationship to the
 16 deceased, current addresses and current telephone
 17 numbers,

18 (2) a statement or statements by the claiming heirs
 19 that no application or petition for the
 20 appointment of a personal representative is
 21 pending or has been granted in any jurisdiction,

22 (3) ~~a statement that the value of the deceased~~
 23 ~~member's entire estate is subject to probate, and~~

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~~that the estate wherever located, less liens and encumbrances, does not exceed Ten Thousand Dollars (\$10,000.00), including the payment of benefits or unpaid contributions from the System as authorized by this subsection,~~

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

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

c. a written agreement or agreements signed by all claiming heirs of the deceased member which provides that the claiming heirs release, discharge and hold harmless the System from any and all liability, obligations and costs which it may incur as a result of making a payment to any of the deceased member's heirs,

- 1 d. a corroborating affidavit from an individual other
2 than a claiming heir, who was familiar with the
3 affairs of the deceased member, and
4 e. proof that all debts of the deceased member, including
5 payment of last sickness, hospital, medical, death,
6 funeral and burial expenses have been paid or provided
7 for.

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

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

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

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

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

16 (2) If such member has completed eight (8) years of credited
17 service at date of termination or if the member is a legislative
18 session employee of the Legislature or if the employee is a session
19 employee employed by the Legislative Service Bureau, four (4) years
20 of credited service at date of termination, he may elect a vested
21 benefit in lieu of receiving his accumulated contributions. The
22 amount of the vested benefit shall commence at the normal retirement
23 date and shall be paid monthly during the lifetime of the retirant
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1 with the last payment made on the last day of the month in which
2 death occurs.

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

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

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

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

1 service credit from the Teachers' Retirement System of Oklahoma. To
2 receive the service credit, the member shall pay the amount
3 determined by the Board pursuant to Section 913.5 of this title.

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

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

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

18 SECTION 7. It being immediately necessary for the preservation
19 of the public peace, health and safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

22
23 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND FINANCIAL
24 SERVICES, dated 02/14/2013 - DO PASS, As Coauthored.