

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

HOUSE BILL 1325

By: McDaniel (Randy)

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (d) Current appointed members of the Oklahoma Tax
16 Commission whose salary is constitutionally limited
17 and is less than the highest salary allowed by law for
18 his or her position shall be allowed, within ninety
19 (90) days from the effective date of this act, to make
20 an election to use the highest salary allowed by law
21 for the position to which the member was appointed for
22 the purposes of making contributions and determination
23 of retirement benefits. Such election shall be
24 irrevocable and be in writing. Reappointment to the

1 same office shall not permit a new election. Members
2 appointed to the Oklahoma Tax Commission after the
3 effective date of this act shall make such election,
4 pursuant to this subparagraph, within ninety (90) days
5 of taking office;

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

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

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

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

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

10 (b) A class or several classes of employees who are
11 covered by Social Security and are not covered by or
12 eligible for and will not become eligible for another
13 retirement plan authorized under the laws of this
14 state, which is in operation on the effective date,
15 and when the qualifications for employment in such
16 class or classes are set by state law; and when such
17 class or classes of employees are employed by a county
18 or municipal government pursuant to such
19 qualifications; and when the services provided by such
20 employees are of such nature that they qualify for
21 matching by or contributions from state or federal
22 funds administered by an agency of state government
23 which qualifies as a participating employer, then the
24 agency of state government administering the state or

1 federal funds shall be deemed an eligible employer,
2 but only with respect to that class or those classes
3 of employees as defined in this subsection; provided,
4 that the required contributions to the retirement plan
5 may be withheld from the contributions of state or
6 federal funds administered by the state agency and
7 transmitted to the System on the same basis as the
8 employee and employer contributions are transmitted
9 for the direct employees of the state agency. The
10 retirement or eligibility for retirement under the
11 provisions of law providing pensions for service as a
12 volunteer fire fighter shall not render any person
13 ineligible for participation in the benefits provided
14 for in Section 901 et seq. of this title. An employee
15 of any public or private trust in which a county, city
16 or town participates and is the primary beneficiary
17 shall be deemed to be an eligible employee for the
18 purpose of this act only.

19 (c) All employees of the George Nigh Rehabilitation
20 Institute who elected to retain membership in the
21 System, pursuant to Section 913.7 of this title, shall
22 continue to be eligible employees for the purposes of
23 this act. The George Nigh Rehabilitation Institute
24

1 shall be considered a participating employer only for
2 such employees.

3 (d) A participating employer of the Teachers' Retirement
4 System of Oklahoma, who has one or more employees who
5 have made an election pursuant to enabling legislation
6 to retain membership in the System as a result of
7 change in administration, shall be considered a
8 participating employer of the Oklahoma Public
9 Employees Retirement System only for such employees;

10 (14) "Employee" means any officer or employee of a
11 participating employer, whose employment is not seasonal or
12 temporary and whose employment requires at least one thousand
13 (1,000) hours of work per year and whose salary or wage is equal to
14 the hourly rate of the monthly minimum wage for state employees.
15 For those eligible employers outlined in Section 910 of this title,
16 the rate shall be equal to the hourly rate of the monthly minimum
17 wage for that employer. Each employer, whose minimum wage is less
18 than the state's minimum wage, shall inform the System of the
19 minimum wage for that employer. This notification shall be by
20 resolution of the governing body.

21 (a) Any employee of the county extension agents who is not
22 currently participating in the Teachers' Retirement
23 System of Oklahoma shall be a member of this System.
24

1 (b) Eligibility shall not include any employee who is a
2 contributing member of the United States Civil Service
3 Retirement System.

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

19 (d) Eligibility shall also not include any officer or
20 employee of the Oklahoma Employment Security
21 Commission, except for those officers and employees of
22 the Commission electing to transfer to this System
23 pursuant to the provisions of Section 910.1 of this
24 title or any other class of officers or employees

1 specifically exempted by the laws of this state,
2 unless there be a consolidation as provided by Section
3 912 of this title. Employees of the Oklahoma
4 Employment Security Commission who are ineligible for
5 enrollment in the Employment Security Commission
6 Retirement Plan, that was in effect on January 1,
7 1964, shall become members of this System.

8 (e) Any employee employed by the Legislative Service
9 Bureau, State Senate or House of Representatives for
10 the full duration of a regular legislative session
11 shall be eligible for membership in the System
12 regardless of classification as a temporary employee
13 and may participate in the System during the regular
14 legislative session at the option of the employee.
15 For purposes of this subparagraph, the determination
16 of whether an employee is employed for the full
17 duration of a regular legislative session shall be
18 made by the Legislative Service Bureau if such
19 employee is employed by the Legislative Service
20 Bureau, the State Senate if such employee is employed
21 by the State Senate, or by the House of
22 Representatives if such employee is employed by the
23 House of Representatives. Each regular legislative
24 session during which the legislative employee or an

1 employee of the Legislative Service Bureau
2 participates full time shall be counted as six (6)
3 months of full-time participating service.

4 (i) Except as otherwise provided by this
5 subparagraph, once a temporary session employee
6 makes a choice to participate or not, the choice
7 shall be binding for all future legislative
8 sessions during which the employee is employed.

9 (ii) Notwithstanding the provisions of division (i) of
10 this subparagraph, any employee, who is eligible
11 for membership in the System because of the
12 provisions of this subparagraph and who was
13 employed by the State Senate or House of
14 Representatives after January 1, 1989, may file
15 an election, in a manner specified by the Board,
16 to participate as a member of the System prior to
17 September 1, 1989.

18 (iii) Notwithstanding the provisions of division (i) of
19 this subparagraph, a temporary legislative
20 session employee who elected to become a member
21 of the System may withdraw from the System
22 effective the day said employee elected to
23 participate in the System upon written request to
24 the Board. Any such request must be received by

1 the Board prior to October 1, 1990. All employee
2 contributions made by the temporary legislative
3 session employee shall be returned to the
4 employee without interest within four (4) months
5 of receipt of the written request.

6 (iv) A member of the System who did not initially
7 elect to participate as a member of the System
8 pursuant to this subparagraph ~~(e) of this~~
9 ~~paragraph~~ shall be able to acquire service
10 performed as a temporary legislative session
11 employee for periods of service performed prior
12 to the date upon which the person became a member
13 of the System if:

- 14 a. the member files an election with the System
15 not later than December 31, 2000, to
16 purchase the prior service; and
- 17 b. the member makes payment to the System of
18 the actuarial cost of the service credit
19 pursuant to subsection A of Section 913.5 of
20 this title. The provisions of Section 913.5
21 of this title shall be applicable to the
22 purchase of the service credit, including
23 the provisions for determining service
24 credit in the event of incomplete payment

1 due to cessation of payments, death,
2 termination of employment or retirement, but
3 the payment may extend for a period not to
4 exceed ninety-six (96) months;

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

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

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

14 (18) "Final average compensation" means the average annual
15 compensation, including amounts deferred under deferred compensation
16 agreements entered into between a member and a participating
17 employer, up to, but not exceeding the maximum compensation levels
18 as provided in paragraph (9) of this section received during the
19 highest three (3) of the last ten (10) years of participating
20 service immediately preceding retirement or termination of
21 employment and with respect to members whose first participating
22 service occurs on or after July 1, 2013, the compensation received
23 during the highest five (5) of the last ten (10) years of
24 participating service immediately preceding retirement or

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

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

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

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

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

21 (23) "Military service" means service in the Armed Forces of
22 the United States by an honorably discharged person during the
23 following time periods, as reflected on such person's Defense
24

1 Department Form 214, not to exceed five (5) years for combined
2 participating and/or prior service, as follows:

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

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

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

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

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

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

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

21 b. for purposes of determining eligibility for
22 education and training benefits, such period
23 shall end on December 31, 1976, or
24

1 (vi) August 1, 1990, to December 31, 1991, commonly
2 referred to as the Gulf War, the Persian Gulf
3 War, or Operation Desert Storm, but excluding any
4 person who served on active duty for training
5 only, unless discharged from such active duty for
6 a service-connected disability;

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

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

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

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

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

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

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

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

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

22 (d) in addition to subparagraphs (a), (b) and (c) of this
23 paragraph, the first day of the month coinciding with
24

1 or following a member's completion of at least twenty
2 (20) years of full-time-equivalent employment as:

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

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

23 (iii) a firefighter with the Oklahoma Military
24 Department either employed for the first time on

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 C. Notice for retirement shall be filed through the retirement
22 coordinator for the participating employer in such form and manner
23 as the Board shall prescribe; provided, that such notice for
24 retirement shall be filed with the office of the retirement system

1 at least sixty (60) days prior to the date selected for the member's
2 retirement; provided further, that the Executive Director may waive
3 the sixty-day notice for good cause shown as defined by the Board.

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

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

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

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

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

- 21 1. All service accumulated from date of reemployment shall be
22 computed based on the benefit formula applicable at that time and
23 the additional benefits shall be added to the previous benefits.
24 Such additional benefits shall be calculated each year based upon

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (9) Any member who is:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

1 appointment of a personal representative is
2 pending or has been granted in any jurisdiction,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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22 54-1-5269 MAH 01/08/13

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Thomas E. Cummins Consulting Actuary, Inc.
2512 E. 71st Street, Suite D
Tulsa, OK 74136

(918)492.9658 Fax (918)492.9659

January 10, 2013

Representative Randy McDaniel
Room 438

Re: RBH No. 5269

RBH No. 5269 changes the definition of Highest Average Earnings from highest average of three years earnings in the last 10 years of employment to highest average of the five earnings in the last 10 years of employment for participants OPERS who join after 6/30/2013.

RBH No. 5269 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA