

**SENATE CHAMBER**  
**STATE OF OKLAHOMA**

DISPOSITION

FLOOR AMENDMENT

No. \_\_\_\_\_

\_\_\_\_\_

COMMITTEE AMENDMENT

\_\_\_\_\_

(Date)

Mr./Madame President:

I move to amend Floor Substitute House Bill No. 2273, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

\_\_\_\_\_  
Senator Smalley

Smalley-CB-FS-Req#3331  
4/12/2016 3:28 PM

(Floor Amendments Only) Date and Time Filed: \_\_\_\_\_

Untimely

Amendment Cycle Extended

Secondary Amendment

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

FLOOR SUBSTITUTE  
FOR ENGROSSED

HOUSE BILL NO. 2273

By: McDaniel (Randy) of the  
House

and

Smalley of the Senate

FLOOR SUBSTITUTE

[ Oklahoma Police Pension and Retirement System -  
modifying references to certain individual retirement  
accounts - ~~effective date~~ -  
emergency ]

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

SECTION 1. AMENDATORY 11 O.S. 2011, Section 50-101, is  
amended to read as follows:

Section 50-101. As used in this article:

1. "System" means the Oklahoma Police Pension and Retirement  
System and all predecessor municipal Police Pension and Retirement  
Systems;

2. "Article" means Article 50 of this title;

3. "State Board" means the Oklahoma Police Pension and  
Retirement Board;

1       4. "Fund" means the Oklahoma Police Pension and Retirement  
2 Fund;

3       5. "Officer" means any duly appointed and sworn full-time  
4 officer of the regular police department of a municipality whose  
5 duties are to preserve the public peace, protect life and property,  
6 prevent crime, serve warrants, enforce all laws and municipal  
7 ordinances of this state, and any political subdivision thereof, and  
8 who is authorized to bear arms in the execution of such duties;

9       6. "Member" means all eligible officers of a participating  
10 municipality and any person hired by a participating municipality  
11 who is undergoing police training to become a permanent police  
12 officer of the municipality. Effective July 1, 1987, a member does  
13 not include a "leased employee" as defined under Section 414(n)(2)  
14 of the Internal Revenue Code of 1986, as amended. Effective July 1,  
15 1999, any individual who agrees with the participating municipality  
16 that the individual's services are to be performed as a leased  
17 employee or an independent contractor shall not be a member  
18 regardless of any classification as a common law employee by the  
19 Internal Revenue Service or any other governmental agency, or any  
20 court of competent jurisdiction. A member shall include eligible  
21 commissioned officers of the Oklahoma State Bureau of Narcotics and  
22 Dangerous Drugs Control, the Oklahoma State Bureau of Investigation,  
23 and the Alcoholic Beverage Laws Enforcement Commission who elect to  
24

1 participate in the System pursuant to Section 50-111.5 of this  
2 title;

3 7. "Normal retirement date" means the date at which the member  
4 is eligible to receive the unreduced payments of the member's  
5 accrued retirement benefit. Such date shall be the first day of the  
6 month coinciding with or following the date the member completes  
7 twenty (20) years of credited service. If the member's employment  
8 continues past the normal retirement date of the member, the actual  
9 retirement date of the member shall be the first day of the month  
10 after the member terminates employment with more than twenty (20)  
11 years of credited service;

12 8. "Credited service" means the period of service used to  
13 determine the eligibility for and the amount of benefits payable to  
14 a member. Credited service shall consist of the period during which  
15 the member participated in the System or the predecessor municipal  
16 systems as an active employee in an eligible membership  
17 classification, plus any service prior to the establishment of the  
18 predecessor municipal systems which was credited under the  
19 predecessor municipal systems or credited service granted by the  
20 State Board;

21 9. "Participating municipality" means a municipality which is  
22 making contributions to the System on behalf of its officers. The  
23 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the  
24 Oklahoma State Bureau of Investigation, and the Alcoholic Beverage

1 Laws Enforcement Commission shall be treated in the same manner as a  
2 participating municipality only regarding those members who elect to  
3 participate in the System pursuant to Section 50-111.5 of this  
4 title;

5 10. "Permanent total disability" means incapacity due to  
6 accidental injury or occupational disease, to earn any wages in the  
7 employment for which the member is physically suited and reasonably  
8 fitted through education, training or experience. Further, the  
9 member must be declared one hundred percent (100%) impaired as  
10 defined by the "American Medical Association's Guides to the  
11 Evaluation of Permanent Impairment" on the basis of a physical  
12 medical examination by a physician licensed to practice medicine in  
13 this state, as selected by the State Board;

14 11. "Permanent partial disability" means permanent disability  
15 which is less than permanent total disability as defined in this  
16 section. The member must be declared no greater than ninety-nine  
17 percent (99%) impaired as defined by the "American Medical  
18 Association's Guides to the Evaluation of Permanent Impairment" on  
19 the basis of a physical medical examination by a physician licensed  
20 to practice medicine in this state, as selected by the State Board;

21 12. "Permanent in-line disability" means incapacity to earn any  
22 wages as a certified, commissioned police officer due to accidental  
23 injury or occupational disease, incurred while in, and in  
24 consequence of, the performance of duty as an officer;

1       13. "Beneficiary" means a member's surviving spouse or any  
2 surviving children, including biological and adopted children, at  
3 the time of the member's death. The surviving spouse must have been  
4 married to the member for the thirty (30) continuous months  
5 immediately preceding the member's death, provided a surviving  
6 spouse of a member who died while in, and as a consequence of, the  
7 performance of the member's duty for a participating municipality,  
8 shall not be subject to the thirty-month marriage requirement for  
9 survivor benefits. A surviving child of a member shall be a  
10 beneficiary until reaching eighteen (18) years of age or twenty-two  
11 (22) years of age if the child is enrolled full time and regularly  
12 attending a public or private school or any institution of higher  
13 education. Any child adopted by a member after the member's  
14 retirement shall be a beneficiary only if the child is adopted by  
15 the member for the thirty (30) continuous months preceding the  
16 member's death. Any child who is adopted by a member after the  
17 member's retirement and such member dies accidentally or as a  
18 consequence of the performance of the member's duty as a police  
19 officer shall not be subject to the thirty-month adoption  
20 requirement. This definition of beneficiary shall be in addition to  
21 any other requirement set forth in this article;

22       14. "Executive Director" means the managing officer of the  
23 System employed by the State Board;

24

1 15. "Eligible employer" means any municipality with a municipal  
2 police department;

3 16. "Entry date" means the date as of which an eligible  
4 employer joins the System. The first entry date pursuant to this  
5 article shall be January 1, 1981;

6 17. "Final average salary" means the average paid base salary  
7 of the member for normally scheduled hours over the highest salaried  
8 thirty (30) consecutive months of the last sixty (60) months of  
9 credited service. Effective July 1, 2016, the following shall apply  
10 in computing final average salary:

- 11 a. ~~Base salary shall not include payment for accumulated~~  
12 ~~sick and annual leave upon termination of employment,~~  
13 ~~severance pay or any uniform allowances. Provided,~~  
14 ~~for purposes of determining the normal disability~~  
15 ~~benefit, final average salary shall be based on the~~  
16 ~~member's total service if less than thirty (30)~~  
17 ~~months. Base salary shall include any amount of~~  
18 ~~elective salary reduction under Section 457 of the~~  
19 ~~Internal Revenue Code of 1986, as amended, and any~~  
20 ~~amount of nonelective salary reduction under Section~~  
21 ~~414(h) of the Internal Revenue Code of 1986, as~~  
22 ~~amended. Effective January 1, 1988, base salary shall~~  
23 ~~include any amount of elective salary reduction under~~  
24 ~~Section 125 of the Internal Revenue Code of 1986, as~~

1 ~~amended. Effective July 1, 1998, gross salary shall~~  
2 ~~include any amount of elective salary reduction not~~  
3 ~~includable in the gross income of the member under~~  
4 ~~Section 132(f) (4) of the Internal Revenue Code of~~  
5 ~~1986, as amended. Only only paid base salary on which~~  
6 required contributions have been made ~~may~~ shall be  
7 used in computing ~~the~~ a member's final average  
8 salary.

9 b. for purposes of determining the normal disability  
10 benefit only, final average salary shall be based on  
11 the member's total service if less than thirty (30)  
12 months,

13 c. ~~In~~ in addition to other applicable limitations, and  
14 notwithstanding any other provision to the contrary,  
15 for plan years beginning on or after July 1, 2002, the  
16 annual compensation of each "Noneligible Member" taken  
17 into account under the System shall not exceed the  
18 Economic Growth and Tax Relief Reconciliation Act of  
19 2001 (EGTRRA) annual compensation limit. The EGTRRA  
20 annual compensation limit is Two Hundred Thousand  
21 Dollars (\$200,000.00), as adjusted by the Commissioner  
22 for increases in the cost of living in accordance with  
23 Section 401(a) (17) (B) of the Internal Revenue Code of  
24 1986, as amended. The annual compensation limit in



1 effect for a calendar year applies to any period, not  
 2 exceeding twelve (12) months, over which compensation  
 3 is determined ("determination period") beginning in  
 4 such calendar year. If a determination period  
 5 consists of fewer than twelve (12) months, the EGTRRA  
 6 annual compensation limit will be multiplied by a  
 7 fraction, the numerator of which is the number of  
 8 months in the determination period, and the  
 9 denominator of which is twelve (12). For purposes of  
 10 this section, a "Noneligible Member" is any member who  
 11 first became a member during a plan year commencing on  
 12 or after July 1, 1996.   

13 ~~e.~~

14 d. ~~For~~ for plan years beginning on or after July 1, 2002,  
 15 any reference in the System to the annual compensation  
 16 limit under Section 401(a)(17) of the Internal Revenue  
 17 Code of 1986, as amended, shall mean the EGTRRA annual  
 18 compensation limit set forth in this provision,    and

19 ~~d. Effective January 1, 2008, base salary shall also~~  
 20 ~~include base salary, as described above for services,~~  
 21 ~~but paid by the later of two and one-half (2 1/2)~~  
 22 ~~months after a member's severance from employment or~~  
 23 ~~the end of the calendar year that includes the date~~  
 24 ~~the member terminated employment, if it is a payment~~

1           ~~that, absent a severance from employment, would have~~  
2           ~~been paid to the member while the member continued in~~  
3           ~~employment with the participating municipality.~~

4           ~~e. Effective January 1, 2008, any payments not described~~  
5           ~~above shall not be considered base salary if paid~~  
6           ~~after severance from employment, even if they are paid~~  
7           ~~by the later of two and one half (2 1/2) months after~~  
8           ~~the date of severance from employment or the end of~~  
9           ~~the calendar year that includes the date of severance~~  
10           ~~from employment, except payments to an individual who~~  
11           ~~does not currently perform services for the~~  
12           ~~participating municipality by reason of qualified~~  
13           ~~military service within the meaning of Section~~  
14           ~~414(u) (5) of the Internal Revenue Code of 1986, as~~  
15           ~~amended, to the extent these payments do not exceed~~  
16           ~~the amounts the individual would have received if the~~  
17           ~~individual had continued to perform services for the~~  
18           ~~participating municipality rather than entering~~  
19           ~~qualified military service.~~

20           ~~f.~~

21           e. Effective effective January 1, 2008, back pay, within  
22           the meaning of Section 1.415(c)-2(g) (8) of the Income  
23           Tax Regulations, shall be treated as paid base salary  
24           for the limitation year to which the back pay relates

1 to the extent the back pay represents wages and  
2 compensation that would otherwise be included in this  
3 definition-

4 ~~g. Effective for years beginning after December 31, 2008,~~  
5 ~~base salary shall also include differential wage~~  
6 ~~payments under Section 414(u)(12) of the Internal~~  
7 ~~Revenue Code of 1986, as amended;~~

8 18. "Accrued retirement benefit" means two and one-half percent  
9 (2 1/2%) of the member's final average salary multiplied by the  
10 member's years of credited service not to exceed thirty (30) years;

11 19. "Normal disability benefit" means two and one-half percent  
12 (2 1/2%) of the member's final average salary multiplied by twenty  
13 (20) years;

14 20. "Limitation year" means the year used in applying the  
15 limitations of Section 415 of the Internal Revenue Code of 1986, as  
16 amended, which year shall be the calendar year;

17 21. "Paid base salary" means, effective ~~May 1, 2002,~~ all  
18 ~~compensation that shall include longevity, educational allowances,~~  
19 ~~and normal compensation paid on a regularly scheduled pay period of~~  
20 ~~which said pay period shall include holidays, annual leave and sick~~  
21 ~~leave. Paid base salary shall not include overtime, shall not~~  
22 ~~include payment for accumulated sick and annual leave upon~~  
23 ~~termination of employment, and shall not include any uniform~~  
24 ~~allowance or any other compensation for reimbursement of out-of-~~

1 ~~pocket expenses;~~ and July 1, 2016, any compensation described in  
2 paragraph a of this subsection that is not described in paragraph b  
3 of this subsection.

4 a. Paid base salary shall include only:

- 5 (1) normal compensation paid on a regularly scheduled  
6 pay period, including, but not limited to,  
7 regular pay for holidays, paid time off, vacation  
8 or annual leave, sick leave or compensatory time  
9 in lieu of overtime, any lump sum payment paid in  
10 lieu of a normal wage increase, provided such  
11 lump sum payment is retroactively applied over  
12 the prior twelve-month period ending with the  
13 payment date, compensation for bomb squad pay,  
14 education pay, incentive pay, K-9 pay,  
15 negotiation pay, shift differential, sniper pay,  
16 SWAT team pay, emergency response team pay, any  
17 other special unit pay, and any incremental  
18 increase in compensation which is not included by  
19 the employer in a member's regular base pay for  
20 salary increase purposes but is paid by the  
21 employer to the member for group health benefits  
22 based on an arrangement with a participating  
23 municipality that was in place on December 31,  
24 2015, so long as the arrangement continues

1 uninterrupted for a member employed by a  
2 participating municipality on June 30, 2016, who  
3 has not since terminated employment and been  
4 rehired by such participating municipality,

5 (2) any amount of elective salary reduction under  
6 Section 125 of the Internal Revenue Code of 1986,  
7 as amended, that would have been treated as paid  
8 base salary but for the salary deferral reduction  
9 agreement,

10 (3) any amount of elective salary reduction not  
11 includable in the gross income of the member  
12 under Section 132(f)(4) of the Internal Revenue  
13 Code of 1986, as amended, that would have been  
14 treated as paid base salary but for the salary  
15 deferral reduction agreement,

16 (4) any amount of elective salary reduction under  
17 Section 457 of the Internal Revenue Code of 1986,  
18 as amended, that would have been treated as paid  
19 base salary but for the salary deferral reduction  
20 agreement,

21 (5) any amount of elective salary reduction under  
22 Section 401(k) of the Internal Revenue Code of  
23 1986, as amended, that would have been treated as  
24

1                   paid base salary but for the salary deferral  
2                   reduction agreement,

3                   (6) any amount of nonelective salary reduction under  
4                   Section 414(h) of the Internal Revenue Code of  
5                   1986, as amended,

6                   (7) educational allowances paid to obtain training  
7                   certification or pursue an advanced degree,

8                   (8) longevity payments made to members based upon a  
9                   standardized plan which recognizes length of  
10                   service to the participating municipality,

11                   (9) paid base salary shall also include base salary,  
12                   as described in divisions (1) thru (8) of

13                   subparagraph a of this subsection, for services,

14                   but paid by the later of two and one-half (2 1/2)

15                   months after a member's severance from employment

16                   or the end of the calendar year that includes the

17                   date the member terminated employment, if it is a

18                   payment that, absent a severance from employment,

19                   would have been paid to the member while the

20                   member continued in employment with the

21                   participating municipality,

22                   (10) any payments not described in divisions (1) thru

23                   (9) of subparagraph a of this subsection shall

24                   not be considered paid base salary if paid after

1 severance from employment, even if they are paid  
2 by the later of two and one-half (2 1/2) months  
3 after the date of severance from employment or  
4 the end of the calendar year that includes the  
5 date of severance from employment, except  
6 payments to an individual who does not currently  
7 perform services for the participating  
8 municipality by reason of qualified military  
9 service within the meaning of Section 414(u) (5)  
10 of the Internal Revenue Code of 1986, as amended,  
11 to the extent these payments do not exceed the  
12 amounts the individual would have received if the  
13 individual had continued to perform services for  
14 the participating municipality rather than  
15 entering qualified military service,  
16 (11) back pay, within the meaning of Section  
17 1.415(c)2(g) (8) of the Income Tax Regulations,  
18 shall be treated as paid base salary for the  
19 limitation year to which the back pay relates to  
20 the extent the back pay represents wages and  
21 compensation that would otherwise be included in  
22 this definition, and  
23  
24

1           (12) paid base salary shall also include differential  
2           wage payments under Section 414(u) (12) of the  
3           Internal Revenue Code of 1986, as amended.

4       b. Notwithstanding anything to the contrary in this  
5       section, paid base salary shall not include any:

6           (1) fringe benefits, reimbursements, or increases in  
7           compensation due to reimbursements to the extent  
8           not specifically included above in subparagraph a  
9           of this subsection,

10          (2) incremental increase in compensation which is not  
11          included by the employer in a member's regular  
12          base pay for salary increase purposes but is paid  
13          by the employer to the member for group health  
14          benefits not otherwise included above in  
15          subparagraph 1 of paragraph a of this subsection,

16          (3) insurance benefits, including any reimbursements  
17          thereof, or insurance proceeds of any type not  
18          otherwise included above in subparagraph 1 of  
19          paragraph a of this subsection,

20          (4) bonuses, including signing bonuses, lump-sum  
21          payments or stipends made to the member not  
22          otherwise included above in subparagraph 1 of  
23          paragraph a of this subsection,

24          (5) overtime compensation,



- 1           (6) payments whether prior to or upon termination of
- 2           employment for accumulated unused vacation or
- 3           unused annual leave, accumulated unused sick
- 4           leave, or accumulated unused paid time off or
- 5           other unused leave,
- 6           (7) payments made in error to a member,
- 7           (8) payments made by the participating municipality
- 8           for services rendered by the member, which
- 9           services are not part of the member's job duties
- 10           and responsibilities of his or her job position
- 11           with the participating municipality,
- 12           (9) severance pay,
- 13           (10) unemployment payments, and
- 14           (11) uniform and equipment allowances; and

15           22. "Actuarial equivalent" means equality in value of the  
 16 aggregate amounts expected to be received based on interest rate and  
 17 mortality assumptions set by the State Board, in a manner that  
 18 precludes employer discretion, and based upon recommendations from  
 19 independent professional advisors, and which shall be published  
 20 annually in the actuarial report.

21           SECTION 2.        AMENDATORY        11 O.S. 2011, Section 50-111.1, as  
 22 amended by Section 2, Chapter 44, O.S.L. 2014 (11 O.S. Supp. 2015,  
 23 Section 50-111.1), is amended to read as follows:

24

1 Section 50-111.1. A. A member who terminates service before  
2 normal retirement date, other than by death or disability shall,  
3 upon application filed with the State Board, be refunded from the  
4 Fund an amount equal to the accumulated contributions the member has  
5 made to the Fund, but excluding any interest or any amount  
6 contributed by the municipality or state. If a member withdraws the  
7 member's accumulated contributions, such member shall not have any  
8 recourse against the System for any type of additional benefits  
9 including, but not limited to, disability benefits. If a member has  
10 completed ten (10) years of credited service at the date of  
11 termination, the member may elect a vested benefit in lieu of  
12 receiving the member's accumulated contributions.

13 If the member who has completed ten (10) or more years of  
14 credited service elects the vested benefit, the member shall be  
15 entitled to a monthly retirement annuity commencing on the date the  
16 member reaches fifty (50) years of age or the date the member would  
17 have had twenty (20) years of credited service had the member's  
18 employment continued uninterrupted, whichever is later. The annual  
19 amount of such retirement annuity shall be equal to two and one-half  
20 percent (2 1/2%) of the annualized final average salary multiplied  
21 by the number of years of credited service.

22 If a terminated member has elected a vested benefit and  
23 subsequently returns to work as a police officer of a participating  
24

1 municipality, their vested benefit will be set aside and prior  
2 credited service will be reinstated.

3 B. If a member who terminates employment and elects a vested  
4 benefit dies prior to being eligible to receive benefits, the  
5 member's beneficiary shall be entitled to the member's normal  
6 monthly accrued retirement benefits on the date the deceased member  
7 would have been eligible to receive the benefit.

8 C. Whenever a member has terminated or hereafter terminates  
9 covered employment and has withdrawn or hereafter withdraws the  
10 member's accumulated contributions and has rejoined or hereafter  
11 rejoins the System, the member, upon proper application and approval  
12 by the Board, may pay to the System the sum of the accumulated  
13 contributions the member has withdrawn or hereafter withdraws plus  
14 ten percent (10%) annual interest from the date of withdrawal and  
15 shall receive the same benefits as if the member had never withdrawn  
16 the contributions. ~~Effective July 1, 2003, a~~ A lump-sum payment for  
17 repayment of any amounts received because of a member's prior  
18 termination may be repaid by trustee-to-trustee transfers of non-  
19 Roth funds from a Section 403(b) annuity, an eligible Section 457(b)  
20 plan, and/or a Section 401(a) qualified plan. Those members who at  
21 the time of termination of employment could not withdraw any of  
22 their accumulated contributions shall receive credited service for  
23 the time employed as an officer prior to any such termination upon  
24 proper application and approval by the Board. To receive credit for

1 such service, all required contributions and interest shall be paid  
2 within ninety (90) days of Board approval of the application. The  
3 provisions of this subsection shall not apply to any member who is  
4 receiving benefits from the System as of July 1, 1987.

5 D. If an active member dies and does not leave a beneficiary,  
6 the accumulated contributions made to the System by the member shall  
7 be paid to the estate of the member.

8 SECTION 3. AMENDATORY 11 O.S. 2011, Section 50-111.4, as  
9 amended by Section 1, Chapter 23, O.S.L. 2015 (11 O.S. Supp. 2015,  
10 Section 50-111.4), is amended to read as follows:

11 Section 50-111.4. A. The Oklahoma Police Pension and  
12 Retirement Board shall adopt rules for computation of the purchase  
13 price for transferred credited service. These rules shall base the  
14 purchase price for each year purchased on the actuarial cost of the  
15 incremental projected benefits to be purchased. The purchase price  
16 shall represent the present value of the incremental projected  
17 benefits discounted according to the member's age at the time of  
18 purchase. Incremental projected benefits shall be the difference  
19 between the projected benefit the member would receive without  
20 purchasing the transferred credited service and the projected  
21 benefit after purchase of the transferred credited service computed  
22 as of the earliest age at which the member would be able to retire.  
23 The computation shall assume an unreduced benefit and be computed  
24 using interest and mortality assumptions consistent with the

1 actuarial assumptions adopted by the Board of Trustees for purposes  
2 of preparing the annual actuarial evaluation.

3       B. In the event that the member is unable to pay the purchase  
4 price provided for in this section by the due date, the Oklahoma  
5 Police Pension and Retirement Board shall permit the members to  
6 amortize the purchase price over a period not to exceed sixty (60)  
7 months. Payments shall be made by payroll deductions unless the  
8 Oklahoma Police Pension and Retirement Board permits an alternate  
9 payment source. The amortization shall include interest in an  
10 amount not to exceed the actuarially assumed interest rate adopted  
11 by the Oklahoma Police Pension and Retirement Board for investment  
12 earnings each year. Any member who ceases to make payment,  
13 terminates, retires or dies before completing the payments provided  
14 for in this section shall receive prorated service credit for only  
15 those payments made, unless the unpaid balance is paid by the  
16 member, his or her estate or successor in interest within six (6)  
17 months after the member's death, termination of employment or  
18 retirement, provided no retirement benefits shall be payable until  
19 the unpaid balance is paid, unless the member or beneficiary  
20 affirmatively waives the additional six-month period in which to pay  
21 the unpaid balance. Notwithstanding anything herein to the  
22 contrary, lump-sum payments for a transferred credited service  
23 purchase may be made by a trustee-to-trustee transfer of non-Roth  
24 funds from a Code Section 403(b) annuity or custodial account, an

1 eligible deferred compensation plan described in Code Section 457(b)  
2 which is maintained by an eligible employer described in Code  
3 Section 457(e) (1) (A), and/or a Code Section 401(a) qualified plan;  
4 or a direct rollover of tax-deferred funds from a Code Section  
5 403(b) annuity or custodial account, an eligible deferred  
6 compensation plan described in Code Section 457(b) which is  
7 maintained by an eligible employer described in Code Section  
8 457(e) (1) (A), a Code Section 401(a) qualified plan, and/or a Code  
9 Section 408(a) or 408(b) traditional or conduit Individual  
10 Retirement Account or Annuity (IRA). The Oklahoma Police Pension  
11 and Retirement Board shall develop such procedures and may require  
12 such information from the distributing plan as it deems necessary to  
13 reasonably conclude that a potential rollover contribution is a  
14 valid rollover contribution under Section 1.401(a) (31)-1, Q&A-  
15 14(b) (2), of the Income Tax Regulations. Roth ~~IRAs~~ accounts and  
16 Coverdell Education Savings Accounts shall not be used to purchase  
17 transferred credited service. A member making installment payments  
18 shall have the option of making a cash lump-sum payment for the  
19 balance of the actuarial purchase price with interest due through  
20 the date of payment by a trustee-to-trustee transfer of non-Roth  
21 funds from a Code Section 403(b) annuity or custodial account, an  
22 eligible deferred compensation plan described in Code Section 457(b)  
23 which is maintained by an eligible employer described in Code  
24 Section 457(e) (1) (A), and/or a Code Section 401(a) qualified plan;

1 or a direct rollover of tax-deferred funds from a Code Section  
2 403(b) annuity or custodial account, an eligible deferred  
3 compensation plan described in Code Section 457(b) which is  
4 maintained by an eligible employer described in Code Section  
5 457(e) (1) (A), a Code Section 401(a) qualified plan, and/or a Code  
6 Section 408(a) or 408(b) traditional or conduit Individual  
7 Retirement Account or Annuity (IRA). Roth ~~IRAs~~ accounts and  
8 Coverdell Education Savings Accounts shall not be used to purchase  
9 transferred credited service. The State Board shall promulgate such  
10 rules as are necessary to implement the provisions of this  
11 subsection.

12 ~~SECTION 4. This act shall become effective July 1, 2016.~~

13 ~~SECTION 5. It being immediately necessary for the preservation~~  
14 ~~of the public peace, health and safety, an emergency is hereby~~  
15 ~~declared to exist, by reason whereof this act shall take effect and~~  
16 ~~be in full force from and after its passage and approval.~~

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