

THE STATE SENATE
Monday, February 23, 2009

Senate Bill No. 562

SENATE BILL NO. 562 - By: Anderson of the Senate and Jackson of the House.

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2001, Section 913.4, as last amended by Section 1, Chapter 105, O.S.L. 2008 (74 O.S. Supp. 2008, Section 913.4), which relates to elected officials retirement; providing exception; allowing elected officials to elect to make maximum contribution rate under certain conditions; providing procedures; 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. 2001, Section 913.4, as last amended by Section 1, Chapter 105, O.S.L. 2008 (74 O.S. Supp. 2008, Section 913.4), is amended to read as follows:

Section 913.4 A. 1. An elected official may elect to participate in the System and if he or she elects to do so shall have the option of contributing at any one of the below listed contribution rates and will receive retirement benefits in accordance with the contribution rate chosen. The election on participation in the System must be in writing, must specify the percent of contributions chosen, and must be filed with the System within ninety (90) days after the elected official takes office. The election to participate and the election of a contribution rate shall be irrevocable. Reelection to the same office will not permit

1 new elections. ~~Failure~~ Except as otherwise provided in paragraph 2
2 of this subsection, failure of an elected official to file such
3 election form within the ninety-day period shall be deemed an
4 irrevocable election to participate in the System at the maximum
5 contribution rate. Any currently serving elected official who has
6 not previously elected to participate in the System on the effective
7 date of this act, must make an election on participation in writing,
8 specifying the contribution rate no later than December 1, 1999.

9 ~~Failure~~ Except as otherwise provided in paragraph 2 of this
10 subsection, failure of a currently serving elected official to file
11 such election form shall be deemed an irrevocable election to
12 participate in the System at the maximum contribution rate.

13 Contributions and benefits will be based upon his or her annual
14 compensation as defined in Section 902 of this title. Employer and
15 employee contributions shall be remitted monthly, or as the Board
16 may otherwise provide, to the Executive Director for deposit in the
17 Oklahoma Public Employees Retirement Fund. Effective July 1, 1994,
18 and thereafter, the participating employer shall contribute as
19 provided in Section 920 of this title.

20 Effective July 1, 1994, and thereafter, the member contributions
21 and the computation factor selected shall be based on the entire
22 compensation as an elected official subject to the definition and

1 maximum compensation levels as set forth in paragraph (9) of Section
2 902 of this title and shall be as follows:

3	Computation	Alternate
4	Contribution Rate	Factor
	Formula	
5	4 1/2%	019
	\$12.50	
6	6%	025
	\$20.00	
7	7 1/2%	030
	\$25.00	
8	8 1/2%	034
	\$27.50	
9	9%	036
	\$30.00	
10	10%	040
	\$40.00	

11 2. Any currently serving elected official who has previously
12 elected to participate in the System and who has elected a
13 contribution rate less than the maximum contribution rate may make
14 an election to participate at the maximum contribution rate. The
15 election shall be made, in writing, no later than December 31, 2009,
16 and shall be deemed an irrevocable election to participate in the
17 System at the maximum contribution rate. Such elected official
18 shall pay an amount determined by the Board pursuant to the
19 provisions of Section 913.5 of this title applicable to the
20 determination and payment of the unremitted contributions.

21 B. The normal retirement date for an elected official shall be
22 the first day of the month coinciding with or following the
23 official's sixtieth birthday or the first day of the month

coinciding with or following the date at which the sum of the elected official's age and number of years of credited service total eighty (80). Provided further, that any elective official who has a minimum of ten (10) years' participating service may retire under the early retirement provisions of this act, including those electing a vested benefit and shall receive an adjustment of annual benefits in accordance with the following percentage schedule:

	Age	Percentage of Normal Retirement Benefits
	60	100%
	59	94%
	58	88%
	57	82%
	56	76%
	55	70%

C. 1. Any elected official shall receive annual benefits computed based upon the contribution rate and corresponding computation factor selected multiplied by the member's highest annual compensation received as an elected official prior to retirement or termination of employment; provided, no elected official shall retire using such highest annual compensation unless the elected official has made the required election and has paid the required contributions on such salary, multiplied by the number of

1 years of credited service, that has been credited to the member in
2 accordance with the provisions of this section.

3 2. The retirement benefit may be computed pursuant to the
4 provisions of paragraph (1) of subsection A of Section 915 of this
5 title if the benefit would be higher. Elected officials who have a
6 vested benefit prior to July 1, 1980, may elect to receive annual
7 benefits based on the alternate formula provided above. Such annual
8 benefits shall be paid in equal monthly installments.

9 3. Elected officials who become members of the Oklahoma Public
10 Employees Retirement System on or after July 1, 2008, will receive
11 retirement benefits in accordance with the contribution rate and
12 corresponding computation factor selected pursuant to subsection A
13 of this section multiplied by the member's highest annual
14 compensation received as an elected official and only for those
15 years of credited service the member served as an elected official.
16 If such elected official has participating service as a nonelected
17 member, then such nonelected service shall be computed separately
18 pursuant to the provisions of paragraph (1) of subsection A of
19 Section 915 of this title with the final benefit result added to the
20 final benefit result for elected service. In no event shall the
21 elected official be entitled to apply the contribution rate and
22 corresponding computation factor selected pursuant to subsection A

1 of this section or the compensation received as an elected official
2 to the computation of nonelected service.

3 4. Elected officials who are first elected or appointed to an
4 elected office on or after July 1, 2008, may not receive a maximum
5 benefit greater than their single highest annual compensation
6 received as a member of the Oklahoma Public Employees Retirement
7 System.

8 D. Any elected official making an election to participate at a
9 contribution rate less than the maximum and later selecting a higher
10 rate shall contribute to the System a sum equal to the amount which
11 he would have contributed if he had made such election at the time
12 he first became eligible, plus interest as determined by the Board,
13 in order to receive the additional benefits for all service as an
14 elected official; otherwise, the additional benefits shall be
15 applicable only to service for which the elected official pays the
16 appropriate percent of contributions to the System. Any elected
17 official who did not elect to participate and later elects to
18 participate prior to December 1, 1999, may receive credit for those
19 years of service accumulated by the member as an elected official if
20 the member is not receiving or eligible to receive retirement credit
21 or benefits from said service in any public retirement system. To
22 receive this service credit, the member shall pay the amount
23 determined by the Board pursuant to Section 913.5 of this title.

1 E. An elected official who has a vested benefit on July 1,
2 1982, may elect to receive benefits based upon a higher contribution
3 rate than the official previously contributed by paying to the
4 System the contributions, plus interest as determined by the Board,
5 due at the higher rate as if that rate had been in effect at the
6 time the official accepted a vested benefit.

7 F. The surviving spouse of a deceased elected official having
8 at least six (6) years of participating service shall be entitled to
9 receive survivor benefits in the amount herein prescribed, if
10 married to the decedent continuously for a period of at least three
11 (3) years immediately preceding the elected official's death.
12 Provided the elected official had met the service requirements,
13 survivor benefits shall be payable when the deceased member would
14 have met the requirements for normal or early retirement. The
15 amount of the benefits the surviving spouse may receive shall be
16 fifty percent (50%) of the amount of benefits the deceased elected
17 official was receiving or will be eligible to receive. Remarriage
18 of a surviving spouse shall disqualify the spouse for the receipt of
19 survivor benefits. Elected officials may elect a retirement option
20 as provided in Section 918 of this title in lieu of the survivors
21 benefit provided above.

22 G. Any elected official who served in the Armed Forces of the
23 United States, as defined in paragraph (23) of Section 902 of this

1 title, prior to membership in the Oklahoma Public Employees
2 Retirement System shall be granted credited service of not to exceed
3 five (5) years for those periods of active military service during
4 which the elected official was a war veteran.

5 H. Any one appointed or elected to an elected position after
6 July 1, 1990, shall not be eligible to receive benefits as provided
7 in this section until such person has participated as an elected
8 official for six (6) years.

9 I. Elected officials who terminate participation in the System
10 and who have a minimum of six (6) years of participating service
11 shall be entitled to elect a vested benefit and shall be entitled to
12 the retirement options as provided in Section 918 of this title in
13 lieu of the survivors benefit provided above.

14 SECTION 2. This act shall become effective July 1, 2009.

15 SECTION 3. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

19 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT & INSURANCE, dated
20 2-12-09 - DO PASS, As Coauthored.