

STATE OF OKLAHOMA

2nd Session of the 52nd Legislature (2010)

SENATE BILL 2130

By: Barrington

AS INTRODUCED

An Act relating to retirement; amending 11 O.S. 2001, Sections 49-100.1, as last amended by Section 1, Chapter 128, O.S.L. 2003, 49-106.1, as last amended by Section 1, Chapter 177, O.S.L. 2008, 49-106.2, as last amended by Section 2, Chapter 177, O.S.L. 2008, 49-106.3, as last amended by Section 3, Chapter 177, O.S.L. 2008, Section 3, Chapter 345, O.S.L. 2007, 49-122, 49-126, as last amended by Section 5, Chapter 356, O.S.L. 2007 and 49-138, as last amended by Section 4, Chapter 203, O.S.L. 2005, (11 O.S. Supp. 2009, Sections 49-100.1, 49-106.1, 49-106.2, 49-106.3, 49-106.4, 49-122, 49-126 and 49-138), which relate to the Oklahoma Firefighters Pension and Retirement System; modifying definition; clarifying language; making language gender neutral; providing that a member of the Oklahoma Firefighters Pension and Retirement System must make an irrevocable election to participate in certain plans; specifying when certain distributions under certain plan shall commence; modifying definitions; clarifying certain date; specifying when certain election is made; specifying how certain limitations are to be computed; updating statutory citation; allowing successor rulings to be used for certain purposes; modifying the computation of certain annuities; modifying procedures relating to certain distributions; modifying definition; specifying how certain distributions are to be made; clarifying requirements for certain accounts or annuities; modifying treatment of certain trust; eliminating the option for certain vote; providing procedures for the correction of an overpayment to member or other payee; allowing certain survivors to be entitled to

1 certain additional benefits; and declaring an
2 emergency.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. AMENDATORY 11 O.S. 2001, Section 49-100.1, as
6 last amended by Section 1, Chapter 128, O.S.L. 2003 (11 O.S. Supp.
7 2009, Section 49-100.1), is amended to read as follows:

8 Section 49-100.1 As used in this article:

9 1. "System" means the Oklahoma Firefighters Pension and
10 Retirement System and all predecessor municipal firefighters pension
11 and retirement systems;

12 2. "Article" means Article 49 of this title;

13 3. "State Board" means the Oklahoma Firefighters Pension and
14 Retirement Board;

15 4. "Local board" means the local firefighters pension and
16 retirement boards;

17 5. "Fund" means the Oklahoma Firefighters Pension and
18 Retirement Fund;

19 6. "Member" means all eligible firefighters of a participating
20 municipality or a fire protection district who perform the essential
21 functions of fire suppression, prevention, and life safety duties in
22 a fire department. The term "member" shall include but not be
23 limited to the person serving as fire chief of any participating
24 municipality, provided that a person serving as fire chief of a

1 participating municipality shall meet the age, agility, physical and
2 other eligibility requirements required by law at the time said
3 person becomes a member of the System. Effective July 1, 1987, a
4 member does not include a "leased employee". The term "leased
5 employee" means any person (other than an employee of the recipient)
6 who pursuant to an agreement between the recipient and any other
7 person ("leasing organization") has performed services for the
8 recipient (or for the recipient and related persons determined in
9 accordance with Section 414(n)(6) of the Internal Revenue Code of
10 1986, as amended) on a substantially full-time basis for a period of
11 at least one year, and such services are performed under primary
12 direction or control by the recipient. Contributions or benefits
13 provided a leased employee by the leasing organization which are
14 attributable to services performed for the recipient employer shall
15 be treated as provided by the recipient employer. A leased employee
16 shall not be considered an employee of the recipient if the
17 requirements of the safe harbor provisions of Section 414(n)(5) of
18 the Internal Revenue Code of 1986, as amended, are satisfied.
19 Effective July 1, 1999, any individual who agrees with the
20 participating municipality that the individual's services are to be
21 performed as a leased employee or an independent contractor shall
22 not be a member regardless of any classification as a common law
23 employee by the Internal Revenue Service or any other governmental
24 agency, or any court of competent jurisdiction;

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

10 8. "Credited service" means the period of service used to
11 determine the eligibility for and the amount of benefits payable to
12 a member. Credited service shall consist of the period during which
13 the member participated in the System or the predecessor municipal
14 systems as an active employee in an eligible membership
15 classification, plus any service prior to the establishment of the
16 predecessor municipal systems which was credited under the
17 predecessor municipal systems; provided, however, "credited service"
18 for members from a fire protection district shall not begin accruing
19 before July 1, 1982;

20 9. "Participating municipality" means a municipality, county
21 fire department organized pursuant to subsection D of Section 351 of
22 Title 19 of the Oklahoma Statutes, or fire protection district which
23 is making contributions to the System on behalf of its firefighters;
24

1 10. "Disability" means the complete inability of the
2 firefighter to perform any and every duty of ~~his~~ the firefighter's
3 regular occupation; provided further, that once benefits have been
4 paid for twenty-four (24) months the provisions of Section 49-110 of
5 this title shall apply to the firefighter;

6 11. "Executive Director" means the managing officer of the
7 System employed by the State Board;

8 12. "Eligible employer" means any municipality with a municipal
9 fire department or a fire protection district with an organized fire
10 department;

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

14 14. "Final average salary" means the average paid gross salary
15 of the firefighter for normally scheduled hours over the highest
16 salaried thirty (30) consecutive months of the last sixty (60)
17 months of credited service. Gross salary shall not include payment
18 for accumulated sick or annual leave upon termination of employment,
19 any uniform allowances or any other compensation for reimbursement
20 of out-of-pocket expenses. Only salary on which the required
21 contributions have been made may be used in computing the final
22 average salary. Effective January 1, 1988, gross salary shall
23 include any amount of elective salary reduction under Section 125 of
24 the Internal Revenue Code of 1986, as amended. Gross salary shall

1 include any amount of elective salary reduction under Section 457 of
2 the Internal Revenue Code of 1986, as amended, and any amount of
3 nonelective salary reduction under Section 414(h) of the Internal
4 Revenue Code of 1986, as amended. Effective July 1, 1998, for
5 purposes of determining a member's compensation, any contribution by
6 the member to reduce ~~his~~ the member's regular cash remuneration
7 under 132(f)(4) of the Internal Revenue Code of 1986, as amended,
8 shall be treated as if the member did not make such an election.
9 Only salary on which required contributions have been made may be
10 used in computing final average salary.

11 In addition to other applicable limitations, and notwithstanding
12 any other provision to the contrary, for plan years beginning on or
13 after July 1, 2002, the annual gross salary of each "Noneligible
14 Member" taken into account under the System shall not exceed the
15 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")
16 annual salary limit. The EGTRRA annual salary limit is Two Hundred
17 Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for
18 increases in the cost of living in accordance with Section
19 401(a)(17)(B) of the Internal Revenue Code of 1986, as amended. The
20 annual salary limit in effect for a calendar year applies to any
21 period, not exceeding twelve (12) months, over which salary is
22 determined ("determination period") beginning in such calendar year.
23 If a determination period consists of fewer than twelve (12) months,
24 the EGTRRA salary limit will be multiplied by a fraction, the

1 numerator of which is the number of months in the determination
2 period, and the denominator of which is twelve (12). For purposes
3 of this subsection, a "Noneligible Member" is any member who first
4 became a member during a plan year commencing on or after July 1,
5 1996.

6 For plan years beginning on or after July 1, 2002, any reference
7 to the annual salary limit under Section 401(a)(17) of the Internal
8 Revenue Code of 1986, as amended, shall mean the EGTRRA salary limit
9 set forth in this subsection.

10 Effective January 1, 2008, gross salary shall also include gross
11 salary, as described above, but paid by the later of two and one-
12 half (2 1/2) months after a firefighter's severance from employment
13 or the end of the plan year that includes the date the firefighter
14 terminated employment, if it is a payment that, absent a severance
15 from employment, would have been paid to the firefighter while the
16 firefighter continued in employment with the participating
17 municipality.

18 Effective January 1, 2008, any payments not described in this
19 paragraph shall not be considered gross salary if paid after
20 severance from employment, even if they are paid by the later of two
21 and one-half (2 1/2) months after the date of severance from
22 employment or the end of the plan year that includes the date of
23 severance from employment.

1 Effective January 1, 2008, back pay, within the meaning of
2 Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be
3 treated as gross salary for the plan year to which the back pay
4 relates to the extent the back pay represents wages and compensation
5 that would otherwise be included in this definition.

6 Effective for years beginning after December 31, 2008, gross
7 salary shall also include differential wage payments under Section
8 414(u)(12) of the Internal Revenue Code of 1986, as amended;

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

12 16. "Beneficiary" means a member's surviving spouse or any
13 surviving children, including biological and adopted children, at
14 the time of the member's death. The surviving spouse must have been
15 married to the firefighter for the thirty (30) continuous months
16 preceding the firefighter's death provided a surviving spouse of a
17 member who died while in, or as a consequence of, the performance of
18 the member's duty for a participating municipality, shall not be
19 subject to the marriage limitation for survivor benefits. A
20 surviving child of a member shall be a beneficiary until reaching
21 eighteen (18) years of age or twenty-two (22) years of age if the
22 child is enrolled full time and regularly attending a public or
23 private school or any institution of higher education. Any child
24 adopted by a member after the member's retirement shall be a

1 beneficiary only if the child is adopted by the member for the
2 thirty (30) continuous months preceding the member's death. Any
3 child who is adopted by a member after the member's retirement and
4 such member dies accidentally or as a consequence of the performance
5 of the member's duty as a firefighter shall not be subject to the
6 thirty-month adoption requirement. This definition of beneficiary
7 shall be in addition to any other requirement set forth in this
8 article;

9 17. "Accumulated contributions" means the sum of all
10 contributions made by a member to the System and includes both
11 contributions deducted from the compensation of a member and
12 contributions of a member picked up and paid by the participating
13 municipality of the member. Accumulated contributions shall not
14 include any interest on the contributions of the member, interest on
15 any amount contributed by the municipality or state and any amount
16 contributed by the municipality or state; and

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

20 SECTION 2. AMENDATORY 11 O.S. 2001, Section 49-106.1, as
21 last amended by Section 1, Chapter 177, O.S.L. 2008 (11 O.S. Supp.
22 2009, Section 49-106.1), is amended to read as follows:

23 Section 49-106.1 A. In lieu of terminating employment and
24 accepting a service retirement pension pursuant to Sections 49-101

1 and 49-106 of this title, any member of the Oklahoma Firefighters
2 Pension and Retirement System who has not less than twenty (20)
3 years of creditable service and who is eligible to receive a service
4 retirement pension may ~~elect~~ make an irrevocable election to
5 participate in the Oklahoma Firefighters Deferred Option Plan and
6 defer the receipts of benefits in accordance with the provisions of
7 this section.

8 B. For purposes of this section, creditable service shall
9 include service credit reciprocally recognized pursuant to Sections
10 49-100.1 through 49-100.8 and Sections 49-101, 49-101.1 and 49-101.2
11 of this title but for eligibility purposes only.

12 C. The duration of participation in the Oklahoma Firefighters
13 Deferred Option Plan for active firefighters shall not exceed five
14 (5) years. Participation in the Oklahoma Firefighters Deferred
15 Option Plan must begin the first day of a month and end on the last
16 day of a month. At the conclusion of a member's participation in
17 the Oklahoma Firefighters Deferred Option Plan, the member shall
18 terminate employment with all participating municipalities as a
19 firefighter, and shall start receiving the member's accrued monthly
20 retirement benefit from the System. Such a member may be reemployed
21 by a participating municipality but only in a position not covered
22 under the System, and receive in-service distributions of such
23 member's accrued monthly retirement benefit from the System.

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

13 E. 1. A member who participates in this plan shall be eligible
14 to receive cost of living increases.

15 2. A member who participates in this plan shall earn interest
16 at a rate of two percentage points below the rate of return of the
17 investment portfolio of the System, but no less than the actuarial
18 assumed interest rate as certified by the actuary in the yearly
19 evaluation report of the actuary. The interest shall be credited to
20 the individual account balance of the member on an annual basis.

21 F. A member in the plan shall receive, at the option of the
22 member, a lump sum payment from the account equal to the payments to
23 the account or an annuity based upon the account of the member or
24 may elect any other method of payment if approved by the Board of

1 Trustees. If a member becomes so physically or mentally disabled
2 while in, or in consequence of, the performance of his or her duty
3 as to prevent the effective performance of his or her duties that
4 the State Board approves an in line of duty disability pension, the
5 payment from the account shall be an in line of duty disability
6 payment. Notwithstanding any other provision contained herein to
7 the contrary, commencement of distributions under the Oklahoma
8 Firefighters Deferred Option Plan shall be no later than the time as
9 set forth in subsection B of Section 49-106 of this title.

10 G. If a member dies while maintaining an account balance in the
11 plan the System shall pay to the designated recipient or recipients
12 of the member, or if there is no designated recipient or if the
13 designated recipient predeceases the member, to the spouse of the
14 member, or if there is no spouse or if the spouse predeceases the
15 member, to the estate of the member a lump sum payment equal to the
16 account balance of the member. If such member was receiving, or
17 eligible to receive, an in line of duty disability pension at the
18 time of his or her death, payment of the account balance shall be an
19 in line of duty disability payment. If a designated recipient is
20 the surviving spouse of the member, the surviving spouse shall
21 receive his or her portion of the account balance of the member
22 pursuant to subsection F of this section. The surviving spouse,
23 whether or not he or she is a designated recipient of the member,
24

1 may elect to receive his or her portion of the account balance of
2 the member in the same manner as was applicable to the member.

3 H. In lieu of participating in the Oklahoma Firefighters
4 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of
5 this section, a member may ~~elect~~ make an irrevocable election to
6 participate in the Oklahoma Firefighters Deferred Option Plan
7 pursuant to this subsection as follows:

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

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

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

19 c. "earlier attained credited service" means the credited
20 service earned by a member as of the back drop date,
21 and

22 d. "deferred benefit balance" means all monthly
23 retirement benefits that would have been payable had
24 the member elected to cease employment on the back

1 drop date and receive a service retirement from the
2 back drop date to the termination date, all the
3 member's contributions and one-half (1/2) of the
4 employer contributions from the back drop date to the
5 termination date, with interest based on how the
6 benefit would have accumulated on a compound annual
7 basis as if the member had participated in the
8 Oklahoma Firefighters Deferred Option Plan pursuant to
9 subsections A, B, C, D, E and F of this section from
10 the back drop date to the termination date; and

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

1 member has elected to participate in the Oklahoma Firefighters
2 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of
3 this section.

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

7 1. For purposes of this subsection, the following definitions
8 shall apply:

9 a. "back drop election date" means the date the surviving
10 spouse or member elects to commence participation in
11 the Oklahoma Firefighters Deferred Option Plan
12 pursuant to subsection H of this section and this
13 subsection,

14 b. "interest" means the actuarial assumed interest rate
15 as certified by the actuary in the yearly evaluation
16 report of the actuary, and

17 c. "monthly adjustment amount" means the difference
18 between the monthly pension prior to the back drop
19 election and the adjusted monthly pension due to the
20 back drop election,

21 ~~d. "back drop pension adjustment amount" means the sum of~~
22 ~~all the monthly adjustment amounts adjusted for~~
23 ~~interest from the pension commencement date to the~~
24 ~~back drop election date, and~~

1 e. ~~"deferred benefit balance adjustment amount" means the~~
2 ~~interest on the deferred benefit balance from the~~
3 ~~pension commencement date to the back drop election~~
4 ~~date.~~

5 2. If a member who has more than twenty (20) years of
6 creditable service and is eligible to receive a service retirement
7 pension dies on or after ~~the effective date of this act~~ June 4,
8 2007, and prior to terminating employment, the member's surviving
9 spouse shall be eligible to elect to receive a benefit determined as
10 if the member had elected to participate in the Oklahoma
11 Firefighters Deferred Option Plan in accordance with subsection H of
12 this section on the day immediately preceding such member's death.
13 The surviving spouse must make any such election within one (1) year
14 from the date of the member's death. If such election is made, the
15 monthly pension such surviving spouse is ~~receiving, or is~~ entitled
16 to receive, shall be adjusted in accordance with the provisions of
17 subsection H of this section to account for the member's
18 participation in the Oklahoma Firefighters Deferred Option Plan.
19 ~~The deferred benefit balance such surviving spouse is entitled to~~
20 ~~receive shall be reduced by the back drop pension adjustment amount~~
21 ~~and increased by the deferred benefit balance adjustment amount.~~
22 ~~The surviving spouse may only make a back drop election if the~~
23 ~~deferred benefit balance after the adjustment described in this~~
24 ~~paragraph is greater than Zero Dollars (\$0.00).~~ The surviving

1 spouse may only make this election if the member has not previously
2 elected to participate in the Oklahoma Firefighters Deferred Option
3 Plan. For purposes of this election, the surviving spouse must have
4 been married to the firefighter for the thirty (30) continuous
5 months preceding the firefighter's death; provided, the surviving
6 spouse of a member who died while in, or as a consequence of, the
7 performance of the member's duty for a participating municipality
8 shall not be subject to the marriage limitation for this election.

9 3. If a member has more than twenty (20) years of creditable
10 service and is eligible for a retirement for disability monthly
11 pension pursuant to Section 49-109 of this title on or after ~~the~~
12 ~~effective date of this act~~ June 4, 2007, such member shall be
13 eligible to elect to receive a benefit determined as if the member
14 had elected to participate in the Oklahoma Firefighters Deferred
15 Option Plan, in accordance with subsection H of this section, on the
16 day immediately preceding the date of the member's disability
17 retirement, provided such election is made within two (2) years from
18 the date of the member's disability retirement. The disability
19 monthly pension such member is ~~receiving, or~~ entitled to receive,
20 shall be adjusted in accordance with the provisions of subsection H
21 of this section to account for the member's participation in the
22 Oklahoma Firefighters Deferred Option Plan. ~~The deferred benefit~~
23 ~~balance such member is entitled to receive shall be reduced by the~~
24 ~~back drop pension adjustment amount and increased by the deferred~~

~~benefit balance adjustment amount. The member may only make a back drop election if the deferred benefit balance after the adjustment described in this paragraph is greater than Zero Dollars (\$0.00).~~

The member may only make this election if the member has not previously elected to participate in the Oklahoma Firefighters Deferred Option Plan, and prior to commencing his or her monthly disability pension.

4. If a member has more than twenty (20) years of creditable service and filed a grievance for wrongful termination occurring on or after ~~the effective date of this act~~ June 4, 2007, but is not reinstated as an active member, such member shall be eligible to elect to receive a benefit determined as if the member had elected to participate in the Oklahoma Firefighters Deferred Option Plan in accordance with subsection H of this section on the day immediately preceding the date of the member's termination. Such election must be made within two (2) years from the date of the member's termination as an active member and, if the member's case pertaining to the member's termination is on appeal to a court of competent jurisdiction, within such period set by the State Board in its sole discretion. The monthly pension such member is ~~receiving, or~~ entitled to receive, shall be adjusted in accordance with the provisions of subsection H of this section to account for the member's participation in the Oklahoma Firefighters Deferred Option Plan. ~~The deferred benefit balance such member is entitled to~~

1 ~~receive shall be reduced by the back drop pension adjustment amount~~
2 ~~and increased by the deferred benefit balance adjustment amount.~~
3 ~~The member may only make a back drop election if the deferred~~
4 ~~benefit balance after the adjustment described in this paragraph is~~
5 ~~greater than Zero Dollars (\$0.00).~~ The member may only make this
6 election if the member has not previously elected to participate in
7 the Oklahoma Firefighters Deferred Option Plan, and prior to
8 commencing his or her monthly pension or monthly disability pension.

9 SECTION 3. AMENDATORY 11 O.S. 2001, Section 49-106.2, as
10 last amended by Section 2, Chapter 177, O.S.L. 2008 (11 O.S. Supp.
11 2009, Section 49-106.2), is amended to read as follows:

12 Section 49-106.2 A. For limitation years prior to July 1,
13 2007, the limitations of Section 415 of the Internal Revenue Code of
14 1986, as amended, shall be computed in accordance with the
15 applicable provisions of the System in effect at that time and, to
16 the extent applicable, Revenue Ruling 98-1 and Revenue Ruling 2001-
17 51, except as provided below. Notwithstanding any other provision
18 contained herein to the contrary, the benefits payable to a member
19 from the System provided by employer contributions (including
20 contributions picked up by the employer under Section 414(h) of the
21 Internal Revenue Code of 1986, as amended) shall be subject to the
22 limitations of Section 415 of the Internal Revenue Code of 1986, as
23 amended, in accordance with the provisions of this section. The
24 limitations of this section shall apply in limitation years

beginning on or after July 1, 2007, except as otherwise provided below.

B. Except as provided below, effective for limitation years ending after December 31, 2001, any accrued retirement benefit payable to a member as an annual benefit as described below shall not exceed One Hundred Sixty Thousand Dollars (\$160,000.00), automatically adjusted under Section 415(d) of the Internal Revenue Code of 1986, as amended, for increases in the cost of living, as prescribed by the Secretary of the Treasury or his or her delegate, effective January 1 of each calendar year and applicable to the limitation year ending with or within such calendar year. The automatic annual adjustment of the dollar limitation in this subsection under Section 415(d) of the Internal Revenue Code of 1986, as amended, shall apply to a member who has had a separation from employment.

1. The member's annual benefit is a benefit that is payable annually in the form of a straight life annuity. Except as provided below, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this section. For a member who has or will have distributions commencing at more than one annuity starting date, the annual benefit shall be determined as

1 of each such annuity starting date (and shall satisfy the
2 limitations of this section as of each such date), actuarially
3 adjusting for past and future distributions of benefits commencing
4 at the other annuity starting dates. For this purpose, the
5 determination of whether a new starting date has occurred shall be
6 made without regard to Section 1.401(a)-20, Q&A 10(d), and with
7 regard to Section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Income Tax
8 Regulations.

9 2. No actuarial adjustment to the benefit shall be made for:

- 10 a. survivor benefits payable to a surviving spouse under
11 a qualified joint and survivor annuity to the extent
12 such benefits would not be payable if the member's
13 benefit were paid in another form,
- 14 b. benefits that are not directly related to retirement
15 benefits such as a qualified disability benefit,
16 preretirement incidental death benefits, and
17 postretirement medical benefits, or
- 18 c. the inclusion in the form of a benefit of an automatic
19 benefit increase feature, provided, the form of
20 benefit is not subject to Section 417(e)(3) of the
21 Internal Revenue Code of 1986, as amended, and would
22 otherwise satisfy the limitations of this section, and
23 the System provides that the amount payable under the
24 form of benefit in any limitation year shall not

1 exceed the limits of this section applicable at the
2 annuity starting date, as increased in subsequent
3 years pursuant to Section 415(d) of the Internal
4 Revenue Code of 1986, as amended. For this purpose,
5 an automatic benefit increase feature is included in a
6 form of benefit if the form of benefit provides for
7 automatic, periodic increases to the benefits paid in
8 that form.

9 3. The determination of the annual benefit shall take into
10 account Social Security supplements described in Section 411(a)(9)
11 of the Internal Revenue Code of 1986, as amended, and benefits
12 transferred from another defined benefit plan, other than transfers
13 of distributable benefits pursuant to Section 1.411(d)-4, Q&A-3(c),
14 of the Income Tax Regulations, but shall disregard benefits
15 attributable to employee contributions or rollover contributions.

16 4. Effective for distributions in plan years beginning after
17 December 31, 2003, the determination of actuarial equivalence of
18 forms of benefit other than a straight life annuity shall be made in
19 accordance with paragraph 5 or paragraph 6 of this subsection.

20 5. Benefit Forms Not Subject to Section 417(e)(3) of the
21 Internal Revenue Code of 1986, as amended: The straight life
22 annuity that is actuarially equivalent to the member's form of
23 benefit shall be determined under this paragraph if the form of the
24 member's benefit is either:

- 1 a. a nondecreasing annuity (other than a straight life
2 annuity) payable for a period of not less than the
3 life of the member (or, in the case of a qualified
4 preretirement survivor annuity, the life of the
5 surviving spouse), or
- 6 b. an annuity that decreases during the life of the
7 member merely because of:
- 8 (1) the death of the survivor annuitant, but only if
9 the reduction is not below fifty percent (50%) of
10 the benefit payable before the death of the
11 survivor annuitant, or
- 12 (2) the cessation or reduction of Social Security
13 supplements or qualified disability payments as
14 defined in Section ~~401~~ 411(a)-(11)(9) of the
15 Internal Revenue Code of 1986, as amended.
- 16 c. Limitation ~~Year~~ Years Beginning Before July 1, 2007.
17 For limitation years beginning before July 1, 2007,
18 the actuarially equivalent straight life annuity is
19 equal to the annual amount of the straight life
20 annuity commencing at the same annuity starting date
21 that has the same actuarial present value as the
22 member's form of benefit computed using whichever of
23 the following produces the greater annual amount:
24

- (1) the interest rate and the mortality table or other tabular factor, each as set forth in subsection H of Section 49-100.9 of this title for adjusting benefits in the same form, and
- (2) a five percent (5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable) for that annuity starting date, or

d. Limitation Years Beginning On or After July 1, 2007.

For limitation years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of:

- (1) the annual amount of the straight life annuity, if any, payable to the member under the System commencing at the same annuity starting date as the member's form of benefit, and
- (2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a five percent (5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 for that annuity starting date.

1 6. Benefit Forms Subject to Section 417 (e) (3) of the Internal
2 Revenue Code of 1986, as amended: The straight life annuity that is
3 actuarially equivalent to the member's form of benefit shall be
4 determined under this paragraph 6 if the form of the member's
5 benefit is other than a benefit form described in paragraph 5 of
6 this subsection. In this case, the actuarially equivalent straight
7 life annuity shall be determined as follows:

8 a. Annuity Starting Date in Plan Years Beginning After
9 ~~2005~~ December 31, 2007 (Plan Years beginning on or
10 after July 1, 2008). If the annuity starting date of
11 the member's form of benefit is in a plan year
12 beginning after ~~2005~~ December 31, 2007, the
13 actuarially equivalent straight life annuity is equal
14 to the greatest of (1), (2) or (3) below:

- 15 (1) the annual amount of the straight life annuity
16 commencing at the same annuity starting date that
17 has the same actuarial present value as the
18 member's form of benefit, computed using the
19 interest rate and the mortality table or other
20 tabular factor each as set forth in subsection H
21 of Section 49-100.9 of this title for adjusting
22 benefits in the same form,
23 (2) the annual amount of the straight life annuity
24 commencing at the same annuity starting date that

- 1 has the same actuarial present value as the
2 member's form of benefit, computed using a five
3 and one-half percent (5.5%) interest rate
4 assumption and the applicable mortality table
5 described in Revenue Ruling 2001-62 (or its
6 successor for these purposes, if applicable), and
7 (3) the annual amount of the straight life annuity
8 commencing at the same annuity starting date that
9 has the same actuarial present value as the
10 member's form of benefit, computed using:
11 (a) the adjusted first, second, and third
12 segment rates under Section 417(e)(3)(C) and
13 (D) of the Internal Revenue Code of 1986, as
14 amended, applied under rules similar to the
15 rules of Section 430(h)(2)(C) of the
16 Internal Revenue Code of 1986, as amended,
17 for the fourth calendar month preceding the
18 plan year in which falls the annuity
19 starting date for the distribution and the
20 stability period is the successive period of
21 one plan year which contains the annuity
22 starting date for the distribution and for
23 which the applicable interest rate remains
24 constant, or as otherwise provided in the

applicable guidance if the first day of the first plan year beginning after December 31, 2007, does not coincide with the first day of the applicable stability period, and

(b) the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable), divided by one and five one-hundredths (1.05).

b. Annuity Starting Date in Plan Years Beginning in 2006 or 2007. If the annuity starting date of the member's form of benefit is in a plan year beginning in 2006 or 2007, the actuarially equivalent straight life annuity is equal to the greatest of (1), (2) or (3) below:

(1) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) each as set forth in subsection H of Section 49-100.9 of this title for adjusting benefits in the same form,

(2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the

1 member's form of benefit, computed using a five
2 and one-half percent (5.5%) interest rate
3 assumption and the applicable mortality table
4 described in Revenue Ruling 2001-62 (or its
5 successor for these purposes, if applicable), and

6 (3) the annual amount of the straight life annuity
7 commencing at the same annuity starting date that
8 has the same actuarial present value as the
9 member's form of benefit, computed using:

- 10 (a) the rate of interest on thirty-year Treasury
11 securities as specified by the Commissioner
12 for the lookback month for the stability
13 period specified below. The lookback month
14 applicable to the stability period is the
15 fourth calendar month preceding the first
16 day of the stability period, as specified
17 below. The stability period is the
18 successive period of one plan year which
19 contains the annuity starting date for the
20 distribution and for which the applicable
21 interest rate remains constant, and
- 22 (b) the applicable mortality table described in
23 Revenue Ruling 2001-62 (or its successor for
24 these purposes, if applicable),

divided by one and five one-hundredths (1.05).

~~b.~~

c. Annuity Starting Date in Plan Years Beginning in 2004 or 2005.

(1) If the annuity starting date of the member's form of benefit is in a plan year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using whichever of the following produces the greater annual amount:

(a) the interest rate and the mortality table or other tabular factor, each as set forth in subsection H of Section 49-100.9 of this title for adjusting benefits in the same form, and

(b) a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable).

1 (2) If the annuity starting date of the member's
2 benefit is on or after the first day of the first
3 plan year beginning in 2004 and before December
4 31, 2004, the application of this subparagraph b
5 shall not cause the amount payable under the
6 member's form of benefit to be less than the
7 benefit calculated under the System, taking into
8 account the limitations of this section, except
9 that the actuarially equivalent straight life
10 annuity is equal to the annual amount of the
11 straight life annuity commencing at the same
12 annuity starting date that has the same actuarial
13 present value as the member's form of benefit,
14 computed using whichever of the following
15 produces the greatest annual amount:

16 (a) the interest rate and mortality table or
17 other tabular factor, each as set forth in
18 subsection H of Section 49-100.9 of this
19 title for adjusting benefits in the same
20 form,

21 (b) i. the rate of interest on thirty-year
22 Treasury securities as specified by the
23 Commissioner for the lookback month for
24 the stability period specified below.

1 The lookback month applicable to the
2 stability period is the fourth calendar
3 month preceding the first day of the
4 stability period, as specified below.

5 The stability period is the successive
6 period of one plan year which contains
7 the annuity starting date for the
8 distribution and for which the
9 applicable interest rate remains
10 constant, and

11 ii. the applicable mortality table
12 described in Revenue Ruling 2001-62 (or
13 its successor for these purposes, if
14 applicable), and

15 (c) i. the rate of interest on thirty-year
16 Treasury securities as specified by the
17 Commissioner for the lookback month for
18 the stability period specified below.

19 The lookback month applicable to the
20 stability period is the fourth calendar
21 month preceding the first day of the
22 stability period, as specified below.
23 The stability period is the successive
24 period of one plan year which contains

1 the annuity starting date for the
2 distribution and for which the
3 applicable interest rate remains
4 constant (as in effect on the last day
5 of the last plan year beginning before
6 January 1, 2004, under provisions of
7 the System then adopted and in effect),
8 and

- 9 ii. the applicable mortality table
10 described in Revenue Ruling 2001-62 (or
11 its successor for these purposes, if
12 applicable).

13 C. If a member has less than ten (10) years of participation in
14 the System and all predecessor municipal firefighter pension and
15 retirement systems, the dollar limitation otherwise applicable under
16 subsection B of this section shall be multiplied by a fraction, the
17 numerator of which is the number of the years of participation in
18 the System of the member, but never less than one (1), and the
19 denominator of which is ten (10).

20 D. Adjustment of Dollar Limitation for Benefit Commencement
21 Before Sixty-two (62) Years of Age or After Sixty-five (65) Years of
22 Age: Effective for benefits commencing in limitation years ending
23 after December 31, 2001, the dollar limitation under subsection B of
24 this section shall be adjusted if the annuity starting date of the

member's benefit is before sixty-two (62) years of age or after sixty-five (65) years of age. If the annuity starting date is before sixty-two (62) years of age, the dollar limitation under subsection B of this section shall be adjusted under paragraph 1 of this subsection, as modified by paragraph 3 of this subsection, but subject to paragraph 4 of this subsection. If the annuity starting date is after sixty-five (65) years of age, the dollar limitation under subsection B of this section shall be adjusted under paragraph 2 of this subsection, as modified by paragraph 3 of this subsection.

1. Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Sixty-two (62) Years of Age:

- a. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the member's benefit is prior to sixty-two (62) years of age and occurs in a limitation year beginning before July 1, 2007, the dollar limitation for the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using

1 whichever of the following produces the smaller annual
2 amount:

3 (1) the interest rate and the mortality table or
4 other tabular factor, each as set forth in
5 subsection H of Section 49-100.9 of this title,
6 or

7 (2) a five percent (5%) interest rate assumption and
8 the applicable mortality table as described in
9 Revenue Ruling 2001-62 (or its successor for
10 these purposes, if applicable).

11 b. Limitation Years Beginning On Or After July 1, 2007.

12 (1) System Does Not Have Immediately Commencing
13 Straight Life Annuity Payable at Both Sixty-two
14 (62) Years of Age and the Age of Benefit
15 Commencement. If the annuity starting date for
16 the member's benefit is prior to sixty-two (62)
17 years of age and occurs in a limitation year
18 beginning on or after July 1, 2007, and the
19 System does not have an immediately commencing
20 straight life annuity payable at both sixty-two
21 (62) years of age and the age of benefit
22 commencement, the dollar limitation for the
23 member's annuity starting date is the annual
24 amount of a benefit payable in the form of a

1 straight life annuity commencing at the member's
2 annuity starting date that is the actuarial
3 equivalent of the dollar limitation under
4 subsection B of this section (adjusted under
5 subsection C of this section for years of
6 participation less than ten (10), if required)
7 with actuarial equivalence computed using a five
8 percent (5%) interest rate assumption and the
9 applicable mortality table for the annuity
10 starting date as described in Revenue Ruling
11 2001-62 (or its successor for these purposes, if
12 applicable) (and expressing the member's age
13 based on completed calendar months as of the
14 annuity starting date).

- 15 (2) System Has Immediately Commencing Straight Life
16 Annuity Payable at Both Sixty-two (62) Years of
17 Age and the Age of Benefit Commencement. If the
18 annuity starting date for the member's benefit is
19 prior to sixty-two (62) years of age and occurs
20 in a limitation year beginning on or after July
21 1, 2007, and the System has an immediately
22 commencing straight life annuity payable at both
23 sixty-two (62) years of age and the age of
24 benefit commencement, the dollar limitation for

1 the member's annuity starting date is the lesser
2 of the limitation determined under division (1)
3 of ~~this~~ subparagraph b of this paragraph and the
4 dollar limitation under subsection B of this
5 section (adjusted under subsection C of this
6 section for years of participation less than ten
7 (10), if required) multiplied by the ratio of the
8 annual amount of the immediately commencing
9 straight life annuity under the System at the
10 member's annuity starting date to the annual
11 amount of the immediately commencing straight
12 life annuity under the System at sixty-two (62)
13 years of age, both determined without applying
14 the ~~limitation~~ limitations of this section.

15 2. Adjustment of Defined Benefit Dollar Limitation for Benefit
16 Commencement After Sixty-five (65) Years of Age:

- 17 a. Limitation Years Beginning Before July 1, 2007. If
18 the annuity starting date for the member's benefit is
19 after sixty-five (65) years of age and occurs in a
20 limitation year beginning before July 1, 2007, the
21 dollar limitation for the member's annuity starting
22 date is the annual amount of a benefit payable in the
23 form of a straight life annuity commencing at the
24 member's annuity starting date that is the actuarial

1 equivalent of the dollar limitation under subsection B
2 of this section (adjusted under subsection C of this
3 section for years of participation less than ten (10),
4 if required) with actuarial equivalence computed using
5 whichever of the following produces the smaller annual
6 amount:

- 7 (1) the interest rate and the mortality table or
8 other tabular factor, each as set forth in
9 subsection H of Section 49-100.9 of this title,
10 or
11 (2) a five percent (5%) interest rate assumption and
12 the applicable mortality table as described in
13 Revenue Ruling 2001-62 (or its successor for
14 these purposes, if applicable).

15 b. Limitation Years Beginning On Or After July 1, 2007.

- 16 (1) System Does Not Have Immediately Commencing
17 Straight Life Annuity Payable at Both Sixty-five
18 (65) Years of Age and the Age of Benefit
19 Commencement. If the annuity starting date for
20 the member's benefit is after sixty-five (65)
21 years of age and occurs in a limitation year
22 beginning on or after July 1, 2007, and the
23 System does not have an immediately commencing
24 straight life annuity payable at both sixty-five

(65) years of age and the age of benefit commencement, the dollar limitation at the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for the annuity starting date as described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable) (and expressing the member's age based on completed calendar months as of the annuity starting date).

- (2) System Has Immediately Commencing Straight Life Annuity Payable at Both Sixty-five (65) Years of Age and Age of Benefit Commencement. If the annuity starting date for the member's benefit is after sixty-five (65) years of age and occurs in a limitation year beginning on or after July 1,

2007, and the System has an immediately
commencing straight life annuity payable at both
sixty-five (65) years of age and the age of
benefit commencement, the dollar limitation at
the member's annuity starting date is the lesser
of the limitation determined under division (1)
of subparagraph b of this paragraph and the
dollar limitation under subsection B of this
section (adjusted under subsection C of this
section for years of participation less than ten
(10), if required) multiplied by the ratio of the
annual amount of the adjusted immediately
commencing straight life annuity under the System
at the member's annuity starting date to the
annual amount of the adjusted immediately
commencing straight life annuity under the System
at sixty-five (65) years of age, both determined
without applying the limitations of this section.
For this purpose, the adjusted immediately
commencing straight life annuity under the System
at the member's annuity starting date is the
annual amount of such annuity payable to the
member, computed disregarding the member's
accruals after sixty-five (65) years of age but

1 including actuarial adjustments even if those
2 actuarial adjustments are used to offset
3 accruals; and the adjusted immediately commencing
4 straight life annuity under the System at sixty-
5 five (65) years of age is the annual amount of
6 such annuity that would be payable under the
7 System to a hypothetical member who is sixty-five
8 (65) years of age and has the same accrued
9 benefit as the member.

10 3. Notwithstanding the other requirements of this subsection,
11 no adjustment shall be made to the dollar limitation under
12 subsection B of this section to reflect the probability of a
13 member's death between the annuity starting date and sixty-two (62)
14 years of age, or between sixty-five (65) years of age and the
15 annuity starting date, as applicable, if benefits are not forfeited
16 upon the death of the member prior to the annuity starting date. To
17 the extent benefits are forfeited upon death before the annuity
18 starting date, such an adjustment shall be made. For this purpose,
19 no forfeiture shall be treated as occurring upon the member's death
20 if the System does not charge members for providing a qualified
21 preretirement survivor annuity, as defined in Section 417(c) of the
22 Internal Revenue Code of 1986, as amended, upon the member's death.

23 4. Notwithstanding any other provision to the contrary, for
24 limitation years beginning on or after January 1, 1997, if payment

1 begins before the member reaches sixty-two (62) years of age, the
2 reductions in the limitations in this subsection shall not apply to
3 a member who is a "qualified participant" as defined in Section
4 415(b)(2)(H) of the Internal Revenue Code of 1986, as amended.

5 E. Minimum Benefit Permitted: Notwithstanding anything else in
6 this section to the contrary, the benefit otherwise accrued or
7 payable to a member under this System shall be deemed not to exceed
8 the maximum permissible benefit if:

9 1. The retirement benefits payable for a limitation year under
10 any form of benefit with respect to such member under this System
11 and under all other defined benefit plans (without regard to whether
12 a plan has been terminated) ever maintained by a participating
13 municipality do not exceed Ten Thousand Dollars (\$10,000.00)
14 multiplied by a fraction:

15 a. the numerator of which is the member's number of
16 credited years (or part thereof, but not less than one
17 (1) year) of service (not to exceed ten (10) years)
18 with the participating municipality, and

19 b. the denominator of which is ten (10); and

20 2. The participating municipality (or a predecessor employer)
21 has not at any time maintained a defined contribution plan in which
22 the member participated (for this purpose, mandatory employee
23 contributions under a defined benefit plan, individual medical
24 accounts under Section 401(h) of the Internal Revenue Code of 1986,

1 as amended, and accounts for postretirement medical benefits
2 established under Section 419A(d)(1) of the Internal Revenue Code of
3 1986, as amended, are not considered a separate defined contribution
4 plan).

5 F. In no event shall the maximum annual accrued retirement
6 benefit of a member allowable under this section be less than the
7 annual amount of such accrued retirement benefit, including early
8 pension and qualified joint and survivor annuity amounts, duly
9 accrued by the member as of the last day of the limitation year
10 beginning in 1982, or as of the last day of the limitation year
11 beginning in 1986, whichever is greater, disregarding any plan
12 changes or cost-of-living adjustments occurring after July 1, 1982,
13 as to the 1982 accrued amount, and May 5, 1986, as to the 1986
14 accrued amount.

15 G. For limitation years beginning on or after January 1, 1995,
16 subsection C of this section, paragraph 1 of subsection D of this
17 section, and the proration provided under subparagraphs a and b of
18 paragraph 1 of subsection E of this section, shall not apply to a
19 benefit paid under the System as a result of the member becoming
20 disabled by reason of personal injuries or sickness, or amounts
21 received by the beneficiaries, survivors or estate of the member as
22 a result of the death of the member.

23 H. Effective for years beginning after December 31, 1997, if a
24 member purchases service under Sections 49-117.2 and 49-117.3 of

1 this title, which qualifies as "permissive service credit" pursuant
2 to Section 415(n) of the Internal Revenue Code of 1986, as amended,
3 the limitations of Section 415 of the Internal Revenue Code of 1986,
4 as amended, may be met by either:

5 1. Treating the accrued benefit derived from such contributions
6 as an annual benefit under subsection B of this section; or

7 2. Treating all such contributions as annual additions for
8 purposes of Section 415(c) of the Internal Revenue Code of 1986, as
9 amended.

10 I. Effective for years beginning after December 31, 1997, if a
11 member repays to the System any amounts received because of the
12 member's prior termination pursuant to Section 49-117.1 of this
13 title, such repayment shall not be taken into account for purposes
14 of Section 415 of the Internal Revenue Code of 1986, as amended,
15 pursuant to Section 415(k)(3) of the Internal Revenue Code of 1986,
16 as amended.

17 J. For distributions made in limitation years beginning on or
18 after January 1, 2000, the combined limit of repealed Section 415(e)
19 of the Internal Revenue Code of 1986, as amended, shall not apply.

20 K. The State Board is hereby authorized to revoke the special
21 election previously made on June 21, 1991, under Internal Revenue
22 Code Section 415(b)(10).

1 SECTION 4. AMENDATORY 11 O.S. 2001, Section 49-106.3, as
2 last amended by Section 3, Chapter 177, O.S.L. 2008 (11 O.S. Supp.
3 2009, Section 49-106.3), is amended to read as follows:

4 Section 49-106.3 A. For distributions made on or after January
5 1, 1993, and notwithstanding any provision of the System to the
6 contrary that would otherwise limit a Distributee's election
7 hereunder, a Distributee, including a nonspouse designated
8 beneficiary, to the extent permitted under paragraph 3 of subsection
9 B of this section, may elect, at the time and in the manner
10 prescribed by the State Board, to have any portion of an Eligible
11 Rollover Distribution paid directly to ~~an~~:

12 1. An Eligible Retirement Plan, or
13 2. Effective for distributions after December 31, 2007, a Roth
14 IRA described in Section 408A of the Internal Revenue Code of 1986,
15 as amended, subject to any limitations described in Section 408A(c)
16 of the Internal Revenue Code of 1986, as amended specified by the
17 Distributee in a Direct Rollover.

18 B. For purposes of this section, the following definitions
19 shall apply:

20 1. "Eligible Rollover Distribution" means any distribution of
21 all or any portion of the balance to the credit of the Distributee,
22 except that an Eligible Rollover Distribution does not include any
23 distribution that is one of a series of substantially equal periodic
24 payments (not less frequently than annually) made for the life (or

1 life expectancy) of the Distributee or the joint lives (or life
2 expectancies) of the Distributee and the Distributee's designated
3 beneficiary, or for a specified period of ten (10) years or more;
4 any distribution to the extent such distribution is required under
5 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended;
6 and the portion of any distribution that is not includable in gross
7 income. Effective January 1, 2002, a portion of a distribution
8 shall not fail to be an Eligible Rollover Distribution merely
9 because the portion consists of after-tax member contributions which
10 are not includable in gross income. However, such portion may be
11 ~~paid~~ transferred only:

12 (a) from January 1, 2002, through December 31, 2006, ~~to~~:

- 13 (1) to an individual retirement account or annuity
14 described in Section 408(a) or (b) of the
15 Internal Revenue Code of 1986, as amended, or
16 (2) in a direct trustee-to-trustee transfer, to a
17 qualified trust which is a part of a defined
18 contribution plan ~~described in Section 401(a) or~~
19 ~~403(a) of the Internal Revenue Code of 1986, as~~
20 ~~amended, and which~~ that agrees to separately
21 account for amounts so transferred, including
22 separately accounting for the portion of such
23 distribution which is includable in gross income
24

1 and the portion of such distribution which is not
2 so includable, and

3 (b) on or after January 1, 2007, ~~to~~:

4 (1) to an individual retirement account or annuity
5 described in Section 408(a) or (b) of the

6 Internal Revenue Code of 1986, as amended, or

7 (2) in a direct trustee-to-trustee transfer, to a

8 ~~qualified trust described in Section 401(a) or~~

9 ~~403(a) of the Internal Revenue Code of 1986, as~~

10 ~~amended,~~ or an annuity contract described in

11 Section 403(b) of the Internal Revenue Code of

12 1986, as amended, ~~and~~ if such trust or annuity

13 contract provides for separate accounting for

14 amounts so transferred (and earnings thereon),

15 including separately accounting for the portion

16 of such distribution which is includable in gross

17 income and the portion of such distribution which

18 is not so includable~~+~~.

19 Effective for distributions after December 31, 2007,

20 such after-tax portion may also be transferred to

21 a Roth IRA described in Section 408A of the

22 Internal Revenue Code of 1986, as amended,

23 subject to any limitations described in Section

24 408A(c) of the Internal Revenue Code of 1986, as

1 amended, that agrees to separately account for
2 amounts so transferred, including separately
3 accounting for the portion of such distribution
4 which is includible in gross income and the
5 portion of such distribution which is not so
6 includible.

7 2. "Eligible Retirement Plan" means an individual retirement
8 account described in Section 408(a) of the Internal Revenue Code of
9 1986, as amended, an individual retirement annuity described in
10 Section 408(b) of the Internal Revenue Code of 1986, as amended, an
11 annuity plan described in Section 403(a) of the Internal Revenue
12 Code of 1986, as amended, or a qualified trust described in Section
13 401(a) of the Internal Revenue Code of 1986, as amended, that
14 accepts the Distributee's Eligible Rollover Distribution. Effective
15 January 1, 2002, an Eligible Retirement Plan shall also mean an
16 annuity contract described in Section 403(b) of the Internal Revenue
17 Code of 1986, as amended, and an eligible plan under Section 457(b)
18 of the Internal Revenue Code of 1986, as amended, which is
19 maintained by a state, political subdivision of a state, or any
20 agency or instrumentality of a state or political subdivision of a
21 state and which agrees to separately account for amounts transferred
22 into such plan from the System;

23 3. "Distributee" means a member whether or not the member is an
24 active firefighter. In addition, effective June 7, 1993, the

1 member's surviving spouse and the member's spouse or former spouse
2 who is an alternate payee under a qualified domestic order, as
3 provided in subsection B of Section 49-126 of this title, are
4 Distributees with regard to the interest of the spouse or former
5 spouse. Effective for distributions after December 31, 2006, a
6 Distributee also includes the member's nonspouse designated
7 beneficiary, pursuant to Section 401(a)(9)(E) of the Internal
8 Revenue Code of 1986, as amended. ~~In the case of a nonspouse~~
9 ~~beneficiary, the~~ who may only elect a Direct Rollover may be made
10 only (to the extent such Distributee does not receive a lump sum
11 payment) to an individual retirement account or annuity (other than
12 an endowment contract) described in Section 408(a) or (b) of the
13 Internal Revenue Code of 1986, as amended, (IRA), that is
14 established on behalf of such designated beneficiary and that will
15 be treated as an inherited IRA pursuant to the provisions of Section
16 402(c)(11) of the Internal Revenue Code of 1986, as amended. Also,
17 in this case, the determination of any required minimum distribution
18 under Section 401(a)(9) of the Internal Revenue Code of 1986, as
19 amended, that is ineligible for rollover shall be made in accordance
20 with Notice 2007-7, Q&A 17 and 18, ~~Announcement~~ 2007-5 Internal
21 Revenue Bulletin 395. The required minimum distribution rules of
22 Section 401(a)(9)(B) (other than clause iv thereof) of the Internal
23 Revenue Code of 1986, as amended, apply to the transferee IRA; and
24

1 4. "Direct Rollover" means a payment by the System to the
2 Eligible Retirement Plan specified by the Distributee or, effective
3 for distributions on or after January 1, 2008, to a Roth IRA under
4 Section 408A of the Internal Revenue Code of 1986, as amended, as
5 specified by the Distributee, assuming the Distributee otherwise
6 meets the Roth IRA requirements.

7 C. At least thirty (30) days before and, effective January 1,
8 2007, not more than one hundred eighty (180) days before the date of
9 distribution, the Distributee must be provided with a notice of
10 rights which satisfies Section 402(f) of the Internal Revenue Code
11 of 1986, as amended, as to rollover options and tax effects. Such
12 distribution may commence less than thirty (30) days after the
13 notice is given, provided that:

14 1. The State Board clearly informs the Distributee (other than
15 a nonspouse designated beneficiary prior to January 1, 2010) that
16 the Distributee has a right to a period of at least thirty (30) days
17 after receiving the notice to consider the decision of whether or
18 not to elect a distribution; and

19 2. The Distributee, after receiving the notice, affirmatively
20 elects a distribution.

21 D. Prior to January 1, 2010, a distribution with respect to a
22 nonspouse designated beneficiary shall be made in accordance with
23 Notice 2007-7, Q&A 15, 2007-5 Internal Revenue Bulletin 395.
24 Effective January 1, 2010, a distribution with respect to a

1 nonspouse designated beneficiary shall be subject to Sections
2 401(a)(31), 402(f) and 3405(c) of the Internal Revenue Code of 1986,
3 as amended.

4 SECTION 5. AMENDATORY Section 3, Chapter 345, O.S.L.
5 2007 (11 O.S. Supp. 2009, Section 49-106.4), is amended to read as
6 follows:

7 Section 106.4 A. An individual who has been designated,
8 pursuant to Section 401(a)(9)(E) of the Internal Revenue Code of
9 1986, as amended, as the beneficiary of a deceased member and who is
10 not the surviving spouse of the member, may elect, in accordance
11 with Section 402(c)(11) of the Internal Revenue Code of 1986, as
12 amended, and at the time and in the manner prescribed by the
13 Oklahoma Firefighters Pension and Retirement Board, to have a direct
14 trustee-to-trustee transfer of any portion of such beneficiary's
15 lump-sum distribution from the Oklahoma Firefighters Pension and
16 Retirement System after December 31, 2006, made to an individual
17 retirement account or individual retirement annuity (other than an
18 endowment contract) described in Section 408(a) or (b) of the
19 Internal Revenue Code of 1986, as amended (IRA), that is established
20 on behalf of such designated individual. If such transfer is made
21 then:

22 1. The transfer is treated as an eligible rollover distribution
23 for purposes of Section 402(c)(11) of the Internal Revenue Code of
24 1986, as amended;

1 2. The transferee IRA is treated as an inherited individual
2 retirement account or an inherited individual retirement annuity
3 (within the meaning of Section 408(d)(3)(C) of the Internal Revenue
4 Code of 1986, as amended) and must be titled in the name of the
5 deceased member, for the benefit of the beneficiary; and

6 3. The required minimum distribution rules of Section
7 401(a)(9)(B) (other than clause iv thereof) of the Internal Revenue
8 Code of 1986, as amended, apply to the transferee IRA.

9 B. A trust maintained for the benefit of one or more designated
10 beneficiaries shall be treated in the same manner as a ~~trust~~
11 designated beneficiary.

12 C. The Oklahoma Firefighters Pension and Retirement Board shall
13 promulgate such rules as are necessary to implement the provisions
14 of this section.

15 SECTION 6. AMENDATORY 11 O.S. 2001, Section 49-122, is
16 amended to read as follows:

17 Section 49-122. A. Each municipality having a paid member of a
18 fire department shall deduct monthly from the salary of each member
19 of the fire department of such municipality an amount equal to eight
20 percent (8%) of the actual paid gross salary of each member of the
21 fire department. The deduction shall be considered the minimum
22 deduction. At the option of the municipality, the municipality may
23 pay all or any part of the member's required contribution. ~~The~~
24 ~~members of a fire department, by a majority vote of its paid~~

1 ~~members, may vote to increase the amount of the deduction.~~ The
2 treasurer of each municipality shall deduct the authorized
3 deductions from the salary of each paid member of the fire
4 department. The treasurer of the municipality shall deposit within
5 ten (10) days from each ending payroll date in the System the amount
6 deducted from the salary of each member of the fire department.
7 Amounts deducted from the salary of a member and not paid to the
8 System after thirty (30) days from each ending payroll date shall be
9 subject to a monthly late charge of one and one-half percent (1
10 1/2%) of the unpaid balance to be paid by the municipality to the
11 System.

12 Each municipality shall pick up under the provisions of Section
13 414(h)(2) of the Internal Revenue Code of 1986, as amended, and pay
14 the contribution which the member is required by law to make to the
15 System for all compensation earned after December 31, 1988.

16 Although the contributions so picked up are designated as member
17 contributions, such contributions shall be treated as contributions
18 being paid by the municipality in lieu of contributions by the
19 member in determining tax treatment under the Internal Revenue Code
20 of 1986 and such picked up contributions shall not be includable in
21 the gross income of the member until such amounts are distributed or
22 made available to the member or the beneficiary of the member. The
23 member, by the terms of this system, shall not have any option to
24 choose to receive the contributions so picked up directly and the

1 picked up contributions must be paid by the municipality to the
2 System.

3 Member contributions which are picked up shall be treated in the
4 same manner and to the same extent as member contributions made
5 prior to the date on which member contributions were picked up by
6 the municipality. Member contributions so picked up shall be
7 included in salary for purposes of the System.

8 The municipality shall pay the member contributions from the
9 same source of funds used in paying salary to the member, by
10 effecting an equal cash reduction in gross salary of the member, or
11 by an offset against future salary increases, or by a combination of
12 reduction in gross salary and offset against future salary
13 increases.

14 The treasurer of each municipality shall deduct the picked up
15 contributions from the salary of each paid member of the fire
16 department. The treasurer of the municipality shall deposit monthly
17 in the System the amount picked up from the salary of each member of
18 the fire department.

19 B. Each municipality having a paid member of a fire department
20 shall deposit monthly with the State Board an amount equal to the
21 following:

22 1. Prior to July 1, 1991, ten percent (10%) of the total actual
23 paid gross salaries of the members of the fire department;

24

1 2. Beginning July 1, 1991 through June 30, 1992, ten and one-
2 half percent (10 1/2%) of the total actual paid gross salaries of
3 the members of the fire department;

4 3. Beginning July 1, 1992 through June 30, 1993, eleven percent
5 (11%) of the total actual paid gross salaries of the members of the
6 fire department;

7 4. Beginning July 1, 1993 through June 30, 1994, eleven and
8 one-half percent (11 1/2%) of the total actual paid gross salaries
9 of the members of the fire department;

10 5. Beginning July 1, 1994 through June 30, 1995, twelve percent
11 (12%) of the total actual paid gross salaries of the members of the
12 fire department;

13 6. Beginning July 1, 1995 through June 30, 1996, twelve and
14 one-half percent (12 1/2%) of the total actual paid gross salaries
15 of the members of the fire department; and

16 7. Beginning July 1, 1996, thirteen percent (13%) of the total
17 actual paid gross salaries of the members of the fire department.

18 C. Each county or municipality having a volunteer member of a
19 fire department shall deposit yearly with the State Board Sixty
20 Dollars (\$60.00) for each volunteer member of the department.

21 Provided, the above-mentioned volunteer county or municipal
22 contributions shall be reevaluated by the next scheduled actuarial
23 study and the amounts adjusted so that in a nine-year period of
24 time, the amounts would reflect the actuarial recommendations at

1 that time. Any county or municipality with an income of less than
2 Twenty-five Thousand Dollars (\$25,000.00) to its general fund during
3 a fiscal year shall be exempt from the provisions of this
4 subsection.

5 Any municipality that fails to comply with the provisions of
6 this section shall not be entitled to its proportionate share of the
7 Motor Fuel Excise Tax which is received through the Oklahoma Tax
8 Commission. Any county or municipality may exceed the amount of
9 contribution required by this section.

10 The provisions of this section shall supercede any city charter
11 provision in direct conflict with this section.

12 SECTION 7. AMENDATORY 11 O.S. 2001, Section 49-126, as
13 last amended by Section 5, Chapter 356, O.S.L. 2007 (11 O.S. Supp.
14 2009, Section 49-126), is amended to read as follows:

15 Section 49-126. A. Except as otherwise provided by this
16 section, no portion of said pension shall, either before or after
17 its order of distribution by the State Board to such disabled
18 members of said fire department, or the surviving spouse, alternate
19 payee as defined in subsection B of this section, or guardian of
20 such minor child or children, to the deceased or retired member of
21 such department, be held, seized, taken, subjected to or detained or
22 levied on by virtue of any attachment, execution, injunction, writ
23 interlocutory or other order or decree, or any process or proceeding
24 whatever, issued out of or by any court of this state for the

1 payment or satisfaction, in whole or in part, of any debt, damages,
2 claim, demand or judgment against such member, or his or her
3 surviving spouse, alternate payee, or the guardian of said minor
4 child or children of any deceased member, nor shall said fund or any
5 claim thereto be directly or indirectly assigned and any attempt to
6 assign or transfer the same shall be void; but the funds shall be
7 held, kept, secured and distributed for the purpose of pensioning
8 the persons named in this article, and for no other purpose
9 whatever. Notwithstanding the foregoing, effective August 5, 1997,
10 the State Board may approve any offset of a member's benefit to pay
11 a judgment or settlement against a member for a crime involving the
12 System, for a breach of the member's fiduciary duty to the System,
13 or for funds or monies incorrectly paid to a member or beneficiary
14 by mistake, provided such offset is in accordance with the
15 requirements of Section 401(a)(13) of the Internal Revenue Code of
16 1986, as amended.

17 B. 1. The provisions of subsection A of this section shall not
18 apply to a qualified domestic order as provided pursuant to this
19 subsection.

20 2. The term "qualified domestic order" means an order issued by
21 a district court of this state pursuant to the domestic relation
22 laws of this state which relates to the provision of marital
23 property rights to an alternate payee and which creates or
24 recognizes the existence of the right of an alternate payee and

1 assigns to an alternate payee the right to receive a portion of the
2 benefits payable with respect to a member of the System.

3 3. The term "alternate payee" means any spouse, former spouse,
4 minor or disabled child or children, or other dependent of the
5 member who is recognized by a domestic relations order as having a
6 right to receive benefits payable with respect to a member of the
7 System.

8 4. For purposes of the payment of marital property, to qualify
9 as an alternate payee, a spouse or former spouse must have been
10 married to the related member for a period of not less than thirty
11 (30) continuous months immediately preceding the commencement of the
12 proceedings from which the qualified domestic order issues.

13 5. A qualified domestic order is valid and binding on the State
14 Board and the related member only if it meets the requirements of
15 this subsection.

16 6. A qualified domestic order shall clearly specify:

- 17 a. the name and last-known mailing address (if any) of
18 the member and the name and mailing address of the
19 alternate payee covered by the order,
 - 20 b. the amount or percentage of the member's benefits to
21 be paid by the System to the alternate payee,
 - 22 c. the number of payments or period to which such order
23 applies,
- 24

- 1 d. the characterization of the benefit as to marital
2 property rights or child support, and
3 e. each plan to which such order applies.

4 7. A qualified domestic order meets the requirements of this
5 subsection only if such order:

- 6 a. does not require the System to provide any type or
7 form of benefit, or any option not otherwise provided
8 under state law as relates to the System,
9 b. does not require the System to provide increased
10 benefits, and
11 c. does not require the payment of benefits to an
12 alternate payee which are required to be paid to
13 another alternate payee pursuant to another order
14 previously determined to be a qualified domestic order
15 or an order recognized by the System as a valid order
16 prior to ~~the effective date of this act~~ June 7, 1993.

17 8. A qualified domestic order shall not require payment of
18 benefits to an alternate payee prior to the actual retirement date
19 of the related member.

20 9. The alternate payee shall have a right to receive benefits
21 payable to a member of the System under the Oklahoma Firefighters
22 Deferred Option plan provided for pursuant to Section 49-106.1 of
23 this title, but only to the extent such benefits have been credited
24

1 or paid into the member's Oklahoma Firefighters Deferred Option Plan
2 account during the term of the marriage.

3 10. The obligation of the System to pay an alternate payee
4 pursuant to a qualified domestic order shall cease upon the earlier
5 of the death of the related member or the death of the alternate
6 payee. Upon the death of the alternate payee, the assignment to the
7 alternate payee of the right to receive a portion of the benefits
8 payable with respect to the member shall cease and the payments of
9 benefits to the member shall be reinstated.

10 11. This subsection shall not be subject to the provisions of
11 the Employee Retirement Income Security Act of 1974 (ERISA), 29
12 U.S.C.A. Section 1001, et seq., as amended from time to time, or
13 rules and regulations promulgated thereunder, and court cases
14 interpreting said act.

15 12. The Oklahoma Firefighters Pension and Retirement Board
16 shall promulgate such rules as are necessary to implement the
17 provisions of this subsection.

18 13. An alternate payee who has acquired beneficiary rights
19 pursuant to a valid qualified domestic order must fully comply with
20 all provisions of the rules promulgated by the State Board pursuant
21 to this subsection in order to continue receiving his or her
22 benefit.

23 C. The provisions of subsection A of this section shall not
24 apply to a Child Support Enforcement Division order for a support

1 arrearage pursuant to Section 240.23 of Title 56 of the Oklahoma
2 Statutes and current child support payments made pursuant to a valid
3 court order.

4 D. The provisions of subsection A of this section shall not
5 apply to a federal tax levy made pursuant to Section 6331 of the
6 Internal Revenue Code of 1986, as amended, and the collection by the
7 United States on a judgment resulting from an unpaid tax assessment.

8 E. The provisions of subsection A of this section shall not
9 apply in the case of an overpayment to a member or other payee.

10 Such overpayment may be corrected through a return of the
11 overpayment, or an adjustment of future payments, or a combination
12 of these two methods, as approved by the State Board. The term
13 "other payee" shall include, but not be limited to, alternate payees
14 as defined in subsection B of this section, beneficiaries,
15 designated recipients, and other individuals eligible to receive
16 benefits pursuant to Section 49-113 of this title.

17 SECTION 8. AMENDATORY 11 O.S. 2001, Section 49-138, as
18 last amended by Section 4, Chapter 203, O.S.L. 2005 (11 O.S. Supp.
19 2009, Section 49-138), is amended to read as follows:

20 Section 49-138. A. Any member of a regularly constituted fire
21 department of any municipality who is now serving or may hereafter
22 serve in the Armed Forces of the United States whether such service
23 is voluntary or involuntary, who shall have been a member of such
24 fire department at the time of entering such service, shall be

1 entitled to have the whole of the time of such service applied under
2 the provisions of Section 49-106 of this title, so far as the same
3 applies to a service pension; provided further, that the
4 municipality shall continue its payment into said pension fund, to
5 the same force and effect as though the member were in the actual
6 service of such fire department; provided, that any person who is
7 eligible for such service but who shall have volunteered for
8 military or naval service for a period not to exceed five (5) years
9 shall likewise be entitled to all of the benefits of Sections 49-138
10 through 49-142 of this title for the full period of such service or
11 enlistment; provided further, that only one such period of voluntary
12 service shall be considered hereunder. If such person shall
13 reenlist, unless ~~he is~~ required to do so by law, he such person
14 shall not thereafter be entitled to the provisions of this
15 subsection. The provisions of this subsection shall not apply where
16 any such person dies during the period of said service or
17 enlistment, and shall not entitle the surviving spouse or children
18 to any benefits, and shall not apply to any member who shall have
19 served on active duty (including initial active duty) for training
20 purposes only and/or inactive duty training.

21 B. Effective February 1, 1997, credited service received
22 pursuant to this section or credited service for wartime military
23 service received as otherwise provided by law shall be used in
24 determining the member's retirement benefit but shall not be used in

determining years of service for retirement, vesting purposes or eligibility for participation in the Oklahoma Firefighters Deferred Option Plan. For a member of the System hired on or after July 1, 2003, if the military service credit authorized by this section is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires.

C. A member who retires or elects to participate in the Oklahoma Firefighters Deferred Option Plan on or after July 1, 1998, shall be entitled to prior service credit, not to exceed five (5) years, for those periods of military service on active duty prior to membership in the Oklahoma Firefighters Pension and Retirement System.

For purposes of this subsection, "military service" means service in the Armed Forces of the United States by honorably discharged persons during the following time periods, as reflected on such person's Defense Department Form 214, as follows:

1. During the following periods, including the beginning and ending dates, and only for the periods served, from:

- a. April 6, 1917, to November 11, 1918, commonly referred to as World War I,

1 b. September 16, 1940, to December 7, 1941, for members
2 of the 45th Division,

3 c. December 7, 1941, to December 31, 1946, commonly
4 referred to as World War II,

5 d. June 27, 1950, to January 31, 1955, commonly referred
6 to as the Korean Conflict or the Korean War,

7 e. February 28, 1961, to May 7, 1975, commonly referred
8 to as the Vietnam era, except that:

9 (1) for the period from February 28, 1961, to August
10 4, 1964, military service shall only include
11 service in the Republic of Vietnam during that
12 period, and

13 (2) for purposes of determining eligibility for
14 education and training benefits, such period
15 shall end on December 31, 1976, or

16 f. August 1, 1990, to December 31, 1991, commonly
17 referred to as the Gulf War, the Persian Gulf War, or
18 Operation Desert Storm, but excluding any person who
19 served on active duty for training only, unless
20 discharged from such active duty for a service-
21 connected disability;

22 2. During a period of war or combat military operation other
23 than a conflict, war or era listed in paragraph 1 of this
24 subsection, beginning on the date of Congressional authorization,

1 Congressional resolution, or Executive Order of the President of the
2 United States, for the use of the Armed Forces of the United States
3 in a war or combat military operation, if such war or combat
4 military operation lasted for a period of ninety (90) days or more,
5 for a person who served, and only for the period served, in the area
6 of responsibility of the war or combat military operation, but
7 excluding a person who served on active duty for training only,
8 unless discharged from such active duty for a service-connected
9 disability, and provided that the burden of proof of military
10 service during this period shall be with the member, who must
11 present appropriate documentation establishing such service.

12 D. An eligible member pursuant to subsection C of this section
13 shall include only those persons who shall have served during the
14 times or in the areas prescribed in subsection C of this section,
15 and only if such person provides appropriate documentation in such
16 time and manner as required by the System to establish such military
17 service prescribed in this section, or for service pursuant to
18 division (1) of subparagraph e of paragraph 1 of subsection C of
19 this section, those persons who were awarded service medals, as
20 authorized by the United States Department of Defense as reflected
21 in the veteran's Defense Department Form 214, related to the Vietnam
22 Conflict for service prior to August 5, 1964. The provisions of
23 subsection C of this section shall include military retirees, whose
24 retirement was based only on active service, that have been rated as

1 having twenty percent (20%) or greater service-connected disability
2 by the Veterans Administration or the Armed Forces of the United
3 States. The provisions of subsection C of this section shall not
4 apply to any person who shall have served on active duty for
5 training purposes only unless discharged from active duty for a
6 service-connected disability.

7 E. Notwithstanding any provision herein to the contrary,
8 ~~contributions~~

9 1. Contributions, benefits and service credit with respect to
10 qualified military service shall be provided in accordance with
11 Section 414(u) of the Internal Revenue Code of 1986, as amended,
12 which is in accordance with the Uniformed Services Employment and
13 Reemployment Rights Act of 1994, (USERRA) as amended.—The
14 ~~municipality's contributions to the System for a member covered by~~
15 ~~USERRA are due when such a member makes up his or her contributions~~
16 ~~that were missed due to his or her qualified military service;~~

17 2. Effective January 1, 2007, if any member dies while
18 performing qualified military service (as defined in Section 414(u)
19 of the Internal Revenue Code of 1986, as amended), the survivors of
20 the member are entitled to any additional benefits (other than
21 benefits accruals relating to the period of qualified military
22 service) provided under the System had the member resumed and then
23 terminated employment on account of death.

1 F. Members or beneficiaries shall make application to the
2 System for credited service related to wartime military service.
3 Interest on additional benefits related to wartime military service
4 owed by the System to a retired member or beneficiary as provided by
5 law shall cease accruing one (1) year after the effective date the
6 additional benefits are payable by the System or July 1, 2000,
7 whichever is later, if the member has not applied to the System for
8 credited service related to such wartime military service.

9 SECTION 9. It being immediately necessary for the preservation
10 of the public peace, health and safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

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