

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB527 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Randy McDaniel

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

PROPOSED
COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 527

By: Stanislawski of the Senate

and

McDaniel of the House

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2011, Section 913.4, as last amended by Section 12, Chapter 375, O.S.L. 2014 (74 O.S. Supp. 2016, Section 913.4), which relates to the Oklahoma Public Employees Retirement System; modifying provision related to certain elected officials; authorizing certain elected officials to make irrevocable election with respect to retirement plan; imposing time limit with respect to election; prescribing date for participation; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 913.4, as last amended by Section 12, Chapter 375, O.S.L. 2014 (74 O.S. Supp. 2016, Section 913.4), is amended to read as follows:

1 Section 913.4 A. 1. Except as otherwise provided in this
2 subsection, an elected official may elect to participate in the
3 System and if he or she elects to do so shall have the option of
4 participating at any one of the computation factors set forth in
5 paragraph 3 or 4 of this subsection and will receive retirement
6 benefits in accordance with the computation factor chosen. The
7 election on participation in the System must be in writing, must
8 specify the computation factor chosen, and must be filed with the
9 System within ninety (90) days after the elected official takes
10 office. The election to participate and the election of a
11 computation factor shall be irrevocable. Reelection to the same
12 office will not permit new elections. Failure of an elected
13 official to file such election form within the ninety-day period
14 shall be deemed an irrevocable election to participate in the System
15 at the maximum computation factor.

16 2. Contributions and benefits will be based upon the elected
17 official's annual compensation as defined in Section 902 of this
18 title. Employer and elected official contributions shall be
19 remitted at least monthly, or as the Board may otherwise provide, to
20 the System for deposit in the Oklahoma Public Employees Retirement
21 Fund. Effective July 1, 1994, and thereafter, the participating
22 employer shall contribute as provided in Section 920 of this title.

23 3. Except as provided in paragraph 4 of this subsection,
24 effective July 1, 1994, the computation factor selected and the

corresponding elected official contribution rate shall be as follows:

Elected official Contribution Rate	Computation Factor	Alternate Formula
4.5%	1.9%	\$12.50
6%	2.5%	\$20.00
7.5%	3.0%	\$25.00
8.5%	3.4%	\$27.50
9%	3.6%	\$30.00
10%	4.0%	\$40.00

4. Elected officials who are first elected or appointed to an elected office on or after November 1, 2010, shall elect a computation factor of either 1.9% or 4%. The elected official contribution rate for the 1.9% computation factor is currently 4.5% and the contribution rate for the 4% computation factor is currently 10%. All other computation factors and contribution rates set forth in paragraph 3 of this subsection shall not be available to any person first elected or appointed to an elected office on or after November 1, 2010.

5. The contribution rate for elected officials who are first elected or appointed to an elected office on or after November 1, 2011, shall be in the amount specified in paragraph (a) of subsection (1) of Section 919.1 of this title. The amount of the retirement benefit for elected officials who are first elected or

1 appointed to an elected office on or after November 1, 2011, shall
2 be based on the provisions of paragraph (1) of subsection A of
3 Section 915 of this title.

4 6. The computation factors and corresponding elected official
5 contribution rates provided for in paragraphs 3 and 4 of this
6 subsection shall be based on the entire compensation as an elected
7 official subject to the definition and maximum compensation levels
8 as set forth in paragraph (9) of Section 902 of this title.

9 7. Elected officials who are first elected or appointed on or
10 after November 1, 2011, shall also be eligible to make the election
11 of an alternate multiplier and contribution rate pursuant to
12 paragraph 2 of subsection A of Section 915 of this title.

13 8. A statewide elected official or legislator whose first
14 service ~~as an elected official~~ occurs on or after November 1, 2015,
15 shall become a participant in the defined contribution system
16 created by Sections ~~4~~ 935.1 through ~~11~~ 935.11 of this ~~act~~ title and
17 such elected official shall not accrue any service credit in the
18 defined benefit plan of the Oklahoma Public Employees Retirement
19 System created pursuant to Section 901 et seq. of this title. A
20 statewide elected official or legislator whose first service as an
21 elected official occurs between November 1, 2015, and the effective
22 date of this act may participate in the Oklahoma Public Employees
23 Retirement System if he or she has prior service in the defined
24 benefit plan. The election to participate in the defined benefit

plan must be made within sixty (60) days of the effective date of this act. Participation shall begin the date the elected official makes the election to participate in the defined benefit plan as an elected official and the election to participate shall be irrevocable.

B. The normal retirement date for an elected official shall be the first day of the month coinciding with or following the 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). The normal retirement date for an elected official first elected or appointed to an elected office on or after November 1, 2011, shall be the first day of the month coinciding with or following the official's sixty-fifth birthday or the date upon which the elected or appointed official attains the age of sixty-two (62) and who has at least ten (10) years of elected or appointed service. Any elected official first elected or appointed to an elected office before November 1, 2011, 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
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1	60	100%
2	59	94%
3	58	88%
4	57	82%
5	56	76%
6	55	70%

Any elected official first elected or appointed to an elected office on or after November 1, 2011, 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
62	100%
61	93.33%
60	86.67%

C. 1. Any elected official shall receive annual benefits computed based upon the computation factor selected multiplied by the member's highest annual compensation received as an elected official prior to retirement or termination of employment multiplied by the number of years of credited service. No elected official shall retire using such highest annual compensation unless the

1 elected official has made the required election and has paid the
2 required contributions on such salary.

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 August 22, 2008, will
11 receive retirement benefits in accordance with the computation
12 factor selected pursuant to subsection A of this section multiplied
13 by the member's highest annual compensation received as an elected
14 official and only for those years of credited service the member
15 served as an elected official. If such elected official has
16 participating service as a nonelected member, then such nonelected
17 service shall be computed separately pursuant to the provisions of
18 paragraph (1) of subsection A of Section 915 of this title with the
19 final benefit result added to the final benefit result for elected
20 service. In no event shall the elected official be entitled to
21 apply the computation factor selected pursuant to subsection A of
22 this section or the compensation received as an elected official to
23 the computation of nonelected service.

1 4. Elected officials who are first elected or appointed to an
2 elected office on or after August 22, 2008, may not receive a
3 maximum benefit greater than their single highest annual
4 compensation received as a member of the Oklahoma Public Employees
5 Retirement System.

6 D. Any elected official making an election to participate at a
7 computation factor less than the maximum and later selecting a
8 higher computation factor shall contribute to the System a sum equal
9 to the amount which the elected official would have contributed if
10 the elected official had made such election at the time the elected
11 official first became eligible, plus interest as determined by the
12 Board, in order to receive the additional benefits for all service
13 as an elected official; otherwise, the additional benefits shall be
14 applicable only to service for which the elected official pays the
15 appropriate percent of contributions to the System.

16 E. The surviving spouse of a deceased elected official who was
17 first elected or appointed to an elected office before November 1,
18 2011, and who has at least six (6) years of participating service
19 and the surviving spouse of a deceased elected official who was
20 first elected or appointed to an elected office on or after November
21 1, 2011, and who has at least eight (8) years of participating
22 service shall be entitled to receive survivor benefits in the amount
23 herein prescribed, if married to the decedent continuously for a
24 period of at least three (3) years immediately preceding the elected

1 official's death. Provided the elected official had met the service
2 requirements, survivor benefits shall be payable when the deceased
3 member would have met the requirements for normal or early
4 retirement. The amount of the benefits the surviving spouse may
5 receive shall be fifty percent (50%) of the amount of benefits the
6 deceased elected official was receiving or will be eligible to
7 receive. Remarriage of a surviving spouse shall disqualify the
8 spouse for the receipt of survivor benefits. Elected officials may
9 elect a retirement option as provided in Section 918 of this title
10 in lieu of the survivors benefit provided above.

11 F. Any elected official who served in the Armed Forces of the
12 United States, as defined in paragraph (23) of Section 902 of this
13 title, prior to membership in the Oklahoma Public Employees
14 Retirement System shall be granted credited service of not to exceed
15 five (5) years for those periods of active military service during
16 which the elected official was a war veteran.

17 G. Anyone appointed or elected to an elected position after
18 July 1, 1990, shall not be eligible to receive benefits as provided
19 in this section until such person has participated as an elected
20 official for six (6) years. Anyone appointed or elected to an
21 elected position on or after November 1, 2011, shall not be eligible
22 to receive benefits as provided in this section until such person
23 has participated as an elected official for eight (8) years.

1 H. Elected officials who terminate participation in the System
2 and who have a minimum of six (6) years of participating service
3 shall be entitled to elect a vested benefit and shall be entitled to
4 the retirement options as provided in Section 918 of this title in
5 lieu of the survivors benefit provided in subsection E of this
6 section. Elected officials, first elected or appointed to an
7 elected office on or after November 1, 2011, who terminate
8 participation in the System and who have a minimum of eight (8)
9 years of participating service shall be entitled to elect a vested
10 benefit and shall be entitled to retirement options as provided in
11 Section 918 of this title in lieu of the survivors benefits provided
12 in subsection E of this section.

13 I. In determining the number of years of credited service, a
14 fractional year of six (6) months or more shall be considered as one
15 (1) year, and less than six (6) months or more shall be disregarded.
16 For members who joined the System on or after November 1, 2011, the
17 number of years of credited service shall be based on actual years
18 and months of credited service without rounding up or down.

19 SECTION 2. This act shall become effective July 1, 2018.

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

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