

HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2516

By: McDaniel of the House

and

Pugh of the Senate

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2011, Sections 913, as last amended by Section 111, Chapter 15, O.S.L. 2013, 913.4, as last amended by Section 2, Chapter 94, O.S.L. 2017 and 915, as last amended by Section 21, Chapter 297, O.S.L. 2016 (74 O.S. Supp. 2017, Sections 913, 913.4 and 915), which relate to service crediting and retirement benefit computations; requiring participating employers to make payment with respect to service credit based upon unused sick leave; modifying provisions related to certain early retirement benefit computations; modifying statutory reference; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 913, as last amended by Section 111, Chapter 15, O.S.L. 2013 (74 O.S. Supp. 2017, Section 913), is amended to read as follows:

Section 913. A. Prior service shall be credited as follows:

1 1. A member shall receive full credit for employment with any
2 participating employer prior to the entry date of his or her
3 employer whether or not continuous and whether or not he or she was
4 employed with a participating employer on such entry date, provided
5 that any member who has retired before the passage of Section 901 et
6 seq. of this title, shall not receive retirement benefits
7 retroactively for such prior service. Provided, that at such time
8 that an employer becomes a participating employer on or after
9 January 1, 1965, and before January 1, 1975, each member and each
10 retirant, upon making proper written application therefor, shall
11 receive prior service credit for service with such employer in the
12 same manner as if such participating employer had been a
13 participating employer on the date first eligible to become a
14 participating employer; and increased benefits attributable to such
15 increased prior service credit shall commence with the next monthly
16 benefit payment due following receipt and approval of such
17 application by the Board of Trustees. No prior service shall be
18 granted, however, for periods of service in which the employee made
19 contributions which he or she subsequently withdrew, unless he or
20 she has complied with the provisions of subsection (5) of Section
21 917 of this title. The burden of proof regarding prior service
22 shall be with the member and shall be documented in such manner as
23 the Board may direct;

1 2. Any member who was employed in an institution of higher
2 learning by a State Board of Regents or who was employed by an
3 Oklahoma school district prior to July 1, 1943, may receive prior
4 service credit under this act for the period of time they were so
5 employed;

6 3. Any member who served in the Armed Forces of the United
7 States, as defined in paragraph (23) of Section 902 of this title,
8 prior to membership in the Oklahoma Public Employees Retirement
9 System shall be granted prior service credit, not to exceed five (5)
10 years, for those periods of active military service during which he
11 or she was a war veteran. For a member of the System hired on or
12 after July 1, 2003, if the military service credit authorized by
13 this paragraph is used to compute the retirement benefit of the
14 member and the member retires from the System, such military service
15 credit shall not be used to compute the retirement benefit in any
16 other retirement system created pursuant to the Oklahoma Statutes
17 and the member may receive credit for such service only in the
18 retirement system from which the member first retires;

19 4. An elective state, county, city or town official who is
20 ineligible for membership as a result of any applicable state law or
21 constitutional provision making him or her ineligible solely because
22 of his or her being such an official at the time of his or her
23 eligibility for membership at the time his or her employer becomes a
24 participating employer shall nevertheless not forfeit the prior

1 service credit to which he or she would be entitled except for such
2 ineligibility, provided that he or she either:

- 3 a. becomes an employee of a participating employer within
4 four (4) calendar months of the expiration of his or
5 her term of office current at the time of his or her
6 eligibility except for his or her being an elective
7 state or county official, or
- 8 b. within a period of four (4) years after the expiration
9 of his or her term of office current at the time of
10 his or her eligibility except for his or her being an
11 elective state or county official, is elected as a
12 state or county official and thereupon becomes a
13 member of the System, or
- 14 c. has completed ten (10) years of credited service as of
15 the date of his or her eligibility for membership
16 except for his or her being an elective state or
17 county official;

18 5. Beginning July 1, 1965, all employees of the Department of
19 Human Services shall participate in the Oklahoma Public Employees
20 Retirement System to the same extent as other employees of
21 participating employers in such System. Provided, that any employee
22 performing teaching services in the Oklahoma School for the Deaf or
23 the Oklahoma School for the Blind may elect to participate in the
24 Teachers' Retirement System of Oklahoma in lieu of the Oklahoma

1 Public Employees Retirement System; and any other employee at each
2 such institution or any other institution under the jurisdiction of
3 the Department of Human Services, participating in the Teachers'
4 Retirement System of Oklahoma, may elect to continue to participate
5 in such system in lieu of the Oklahoma Public Employees Retirement
6 System. All employees who shall have participated in the Teachers'
7 Retirement System of Oklahoma and not continuing therein shall have
8 the right to withdraw their membership from the Teachers' Retirement
9 System of Oklahoma on the same terms as other members withdrawing
10 from such System before retirement. Provided, all persons employed
11 at the Oklahoma School for the Blind and Oklahoma School for the
12 Deaf on June 30, 1965, who became subject to the Oklahoma Public
13 Employees Retirement System, on July 1, 1965, shall receive credit
14 for prior service and be eligible for participation, regardless of
15 age;

16 6. A member employed as a temporary employee by the Legislative
17 Service Bureau or its predecessors, the State Senate or the House of
18 Representatives for the full duration of a regular legislative
19 session prior to the member's eligibility for membership in the
20 System shall receive six (6) months of prior service credit for each
21 such full regular legislative session if the employee is employed by
22 the Legislative Service Bureau or its predecessors, the State Senate
23 or the House of Representatives as either a full-time or temporary
24 employee for a minimum of six (6) full regular legislative sessions

beginning January 1, 1983. For purposes of this subsection, the determination of whether an employee is employed for the full duration of a regular legislative session shall be made by the Legislative Service Bureau if such employee is employed by the Legislative Service Bureau, the State Senate if such employee is employed by the State Senate, or by the House of Representatives if such employee is employed by the House of Representatives;

7. A member of the System shall receive prior service credit for any years of service after January 1, 1975, the member had with a participating employer if the member is not receiving or eligible to receive such prior service credit for the same time in any other state or county retirement system authorized by law. To receive the service credit, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title; and

8. Any member who is a state employee and receives temporary total disability benefits during the period of absence with a participating employer due to a work-related injury or illness incurred while engaged in a governmental function for said participating employer pursuant to the Workers' Compensation Act shall receive credit for participating service during said period of absence subject to the following requirements:

- a. the member was employed by the participating employer immediately prior to and during the period of absence,

1 b. the member must notify the System in writing not later
2 than four (4) months after the member's return to his
3 or her job duties with the participating employer, or
4 termination of employment with the participating
5 employer, or termination of the temporary total
6 disability benefits, whichever is earlier, of the
7 member's desire to receive participating service
8 credit for the period of absence,

9 c. the participating employer must certify to the System
10 in writing the dates during which temporary total
11 disability benefits payments were paid to the member,
12 and

13 d. the member and the participating employer shall each
14 pay their respective contributions required for the
15 period of absence without interest within sixty (60)
16 days of invoicing by the System, or with interest of
17 seven and one-half percent (7 1/2%) compounded
18 annually if paid after said sixty (60) days.

19 B. Participating service shall be credited as follows:

20 1. A member shall receive credit for participating service with
21 a participating employer in accordance with the rules and
22 regulations established by the Board; provided, however, that a
23 member who is not a full-time employee shall receive prorated credit
24 for actual hours worked;

1 2. Leaves of absence shall not count as a break in continuous
2 employment provided the member leaves his or her accumulated
3 contribution on deposit with the fund; however, the leaves of
4 absence shall not be credited except that involuntary furloughs
5 established by Office of Management and Enterprise Services rules,
6 involuntary furloughs of employees of a district attorney conducted
7 in substantial compliance with the rules of the Office of Management
8 and Enterprise Services as certified by the District Attorneys
9 Council, involuntary furloughs of employees pursuant to a furlough
10 plan adopted by the President Pro Tempore of the Senate or the
11 Speaker of the House of Representatives as authorized in Section
12 840-5.1 of this title and involuntary furloughs of employees
13 authorized by the Oklahoma Supreme Court shall be credited;

14 3. Any member who has served in the Armed Forces of the United
15 States, as defined in paragraph (23) of Section 902 of this title,
16 shall be granted participating service for those periods of active
17 military service during which he or she was a war veteran provided
18 this service is immediately preceded by a period of employment with
19 a participating employer and is followed by return to employment as
20 an employee with the same or another participating employer within
21 ninety (90) days immediately following discharge from such military
22 service provided the member leaves his or her accumulated
23 contributions on deposit with the fund;

24

1 4. A period of total disability under the System immediately
2 followed by employment with a participating employer, shall not
3 count as a break in continuous employment; provided, that such
4 periods while not employed shall not be credited except that
5 involuntary furloughs established by Office of Management and
6 Enterprise Services Rule 6.13, shall be credited;

7 5. Termination of employment with a participating employer
8 followed by employment with the same or another participating
9 employer within four (4) calendar months shall not constitute a
10 break in continuous employment; provided, that such period while not
11 employed shall not be credited as participating service;

12 6. Provided, however, that all employee contributions required
13 by this act made by employees prior to June 30, 1977, will entitle
14 the employee to additional years of participating service in
15 accordance with the following schedule.

16 Employee accumulated contributions:

17 More than \$1.00 up to \$500	= 1 year participating service
18 More than \$500 up to \$1,000	= 2 years participating service
19 More than \$1,000 up to \$1,500	= 3 years participating service
20 More than \$1,500 up to \$2,000	= 4 years participating service
21 More than \$2,000	= 5 years participating service

22 In no event shall the employee be entitled to more than five (5)
23 additional years of participating service as provided hereunder.

1 Provided further, that upon termination of employment prior to
2 retirement, the accumulated contributions will be credited as above
3 indicated to establish a vested benefit if so elected by any such
4 employee; and

- 5 7. a. The total participating service credit of a member who
6 retires or terminates employment and elects a vested
7 benefit shall include not to exceed one hundred thirty
8 (130) days of unused sick leave accumulated subsequent
9 to August 1, 1959, during the member's employment with
10 any participating employer. Such credit shall be
11 added in terms of whole months. Twenty (20) days of
12 unused sick leave shall equal one (1) month for
13 purposes of participating service credit. If unused
14 sick leave entitles a member to an additional year of
15 service credit, the member's employer shall reimburse
16 the System for the cost of funding the additional
17 ~~reserve~~ benefit. For members who join the System on
18 or after November 1, 2012, if unused sick leave
19 entitles a member to any additional service credit,
20 the member's employer shall reimburse the System for
21 the cost of funding the additional benefit. Each
22 participating employer shall provide the System with
23 adequate and timely information necessary to determine
24 additional benefits and its cost under this paragraph.

1 This subparagraph shall apply to members retiring or
2 vesting on or after July 1, 1984.

3 b. For members who join the System on or after November
4 1, 2012, unused sick leave as set forth in
5 subparagraph a of this paragraph shall be credited at
6 the same rate but not used to round up to another
7 year. Instead, any additional months of unused sick
8 leave credit shall be added to other service credit
9 without rounding.

10 C. In determining the number of years of credited service, a
11 fractional year of six (6) months or more shall be considered as one
12 (1) year, and less than six (6) months shall be disregarded. For
13 members who join the System on or after November 1, 2012, the number
14 of years of credited service shall be based on actual years and full
15 months of credited service without rounding up or down.

16 D. A member may receive credit for those years of credited
17 service accumulated by the member while a member of the Oklahoma
18 Firefighters Pension and Retirement System, the Oklahoma Police
19 Pension and Retirement System, the Uniform Retirement System for
20 Justices and Judges, the Oklahoma Law Enforcement Retirement System,
21 or the Teachers' Retirement System of Oklahoma, if the member is not
22 receiving or eligible to receive retirement credit or benefits from
23 said service in any other public retirement system. To receive the
24

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

3 E. A member may receive credit for those years of service
4 accumulated by the member as an elected official if the member is
5 not receiving or eligible to receive retirement credit or benefits
6 from said service in any public retirement system. Prior to January
7 1, 1991, to receive the service credit, the member shall pay to the
8 Board for each year of service purchased pursuant to this subsection
9 a sum equal to the employee and employer contribution rate that
10 would have been applicable to the member as determined by the Board
11 and interest of not to exceed five percent (5%), and effective
12 January 1, 1991, to receive the service credit, the member shall pay
13 the amount determined by the Board pursuant to Section 913.5 of this
14 title.

15 F. Effective December 12, 1994, and thereafter, a leave of
16 absence on account of a period of qualified military service in the
17 uniformed services of the United States within the meaning of
18 Section 414(u)(5) of the federal Internal Revenue Code, followed by
19 a return to employment with the participating employer within ninety
20 (90) days after completion of the period of service may be eligible
21 for credited service under this System. Notwithstanding any
22 provision of this plan to the contrary, contributions, benefits and
23 service credit with respect to qualified military service will be
24

1 allowed in accordance with Section 414(u) of the federal Internal
2 Revenue Code.

3 G. 1. An active member of the Oklahoma Public Employees
4 Retirement System may receive credit for those years of service
5 accumulated by the member while a member of the Teachers' Retirement
6 System of Oklahoma if:

7 a. the member is an active member of the Oklahoma Public
8 Employees Retirement System, and

9 b. the member provides notice to the Teachers' Retirement
10 System of Oklahoma and the Oklahoma Public Employees
11 Retirement System of the member's election to transfer
12 said retirement credit. The notice shall include a
13 list of the years to be transferred, and

14 c. the member is not receiving or eligible to receive
15 retirement credit or benefits from said service in any
16 other public retirement system, notwithstanding the
17 years of service sought to be transferred under this
18 subsection.

19 Members electing to take advantage of the transfer authorized by
20 this subsection who are receiving or eligible to receive retirement
21 credit or benefits from said service in any other public retirement
22 system shall have all service credit with the Teachers' Retirement
23 System of Oklahoma canceled which is not transferred to the Oklahoma
24 Public Employees Retirement System or used as a cash offset in such

1 a transfer pursuant to subparagraph d of paragraph 2 of this
2 subsection. Service credit transferred to the Teachers' Retirement
3 System of Oklahoma under this subsection shall also be canceled with
4 the Oklahoma Public Employees Retirement System.

5 2. For purposes of this subsection, the "sending system" shall
6 mean the Teachers' Retirement System of Oklahoma. The "receiving
7 system" shall mean the Oklahoma Public Employees Retirement System.

8 a. Within thirty (30) days notification of an intent to
9 transfer is received by the sending system, the
10 sending system shall, according to its own rules and
11 regulations:

12 (1) for members who have vested with the sending
13 system, determine the present value of the
14 member's earned benefits attributable to the
15 years of service sought to be transferred,
16 discounted according to the member's age at the
17 time of transfer and computed as of the earliest
18 age at which the member would be able to retire.
19 Said computation shall assume an unreduced
20 benefit and be computed using interest and
21 mortality assumptions consistent with the
22 actuarial assumptions adopted by the Board of
23 Trustees for purposes of preparing the annual
24 actuarial evaluation but shall not make any

1 projections regarding future salary. For vested
2 employees the sending system shall use the
3 product of this calculation for purposes of
4 determining the transfer fee to be paid by the
5 employee under subparagraph c of this paragraph
6 so long as it is greater than the product of the
7 calculation in this division, and

8 (2) determine the sum of the employee and employer
9 contributions applicable to the years of service
10 sought to be transferred plus interest consistent
11 with the actuarial assumptions adopted by the
12 Board of Trustees for purposes of preparing the
13 annual actuarial evaluation. For all nonvested
14 members, and for vested members if the product of
15 this calculation is greater than the product of
16 the calculation in division (1) of this
17 subparagraph, the sending system shall use the
18 product of this calculation for purposes of
19 determining the amount to be transferred by the
20 sending system under subparagraph c of this
21 paragraph and any transfer fee to be paid by the
22 members under subparagraph d of this paragraph.

23 b. Within thirty (30) days after notification of an
24 intent to transfer is received by the receiving

1 system, the receiving system shall determine,
2 according to the system's own rules and regulations,
3 the present value of the member's incremental
4 projected benefits discounted according to the
5 member's age at the time of the transfer. Incremental
6 projected benefits shall be the difference between the
7 projected benefit said member would receive without
8 transferring the service credit and the projected
9 benefit after transfer of service credit computed as
10 of the earliest age at which the member would be able
11 to retire. Said computation shall assume an unreduced
12 benefit and be computed using interest, salary
13 projections and mortality assumptions consistent with
14 the actuarial assumptions adopted by the Board of
15 Trustees for purposes of preparing the annual
16 actuarial evaluation.

- 17 c. The sending system shall, within sixty (60) days from
18 the date notification of an intent to transfer is
19 received by the sending system, transfer to the
20 receiving system the amount determined in subparagraph
21 a of this paragraph. Except, if the cost under
22 subparagraph a of this paragraph for the same years of
23 service to the sending system is greater than the
24 actuarial value of the incremental benefit in the

1 receiving system, as established in subparagraph b of
2 this paragraph, the sending system shall send the
3 receiving system an amount equal to the actuarial
4 value of the incremental projected benefit in the
5 receiving system.

6 d. In order to receive the credit provided for in
7 paragraph 1 of this subsection, if the cost of the
8 actuarial value of the incremental benefit to the
9 receiving system is greater than the cost as
10 calculated under subparagraph a of this paragraph for
11 the same years of service to the sending system as
12 established in subparagraphs a and b of this
13 paragraph, the employee shall elect to:

- 14 (1) pay any difference to receive full credit for the
15 years sought to be transferred, or
16 (2) receive prorated service credit for only the
17 amount received from the Teachers' Retirement
18 System of Oklahoma pursuant to this subsection.

19 Such an election shall be made in writing, filed with
20 the System prior to receiving the credit provided for
21 in paragraph 1 of this subsection, and shall be
22 irrevocable.

23 3. Within sixty (60) days of successfully completing all of the
24 requirements for transfer under this subsection, the sending system

1 shall pay the receiving system any amount due under this subsection.
2 Within sixty (60) days of successfully completing all of the
3 requirements for transfer under this subsection, the member shall
4 pay the receiving system any amount due under this subsection. In
5 the event that the member is unable to pay the transfer fee provided
6 for in this subsection by the due date, the Board of Trustees of the
7 receiving system shall permit the member to amortize the transfer
8 fee over a period not to exceed sixty (60) months. Said payments
9 shall be made by payroll deductions unless the Board of Trustees
10 permits an alternate payment source. The amortization shall include
11 interest in an amount not to exceed the actuarially assumed interest
12 rate adopted by the Board of Trustees for investment earnings each
13 year. Any member who ceases to make payment, terminates, retires or
14 dies before completing the payments provided for in this section
15 shall receive prorated service credit for only those payments made,
16 unless the unpaid balance is paid by said member, his or her estate
17 or successor in interest within six (6) months after said member's
18 death, termination of employment or retirement, provided no
19 retirement benefits shall be payable until the unpaid balance is
20 paid, unless said member or beneficiary affirmatively waives the
21 additional six-month period in which to pay the unpaid balance.

22 4. Years of service transferred pursuant to this subsection
23 shall be used both in determining the member's retirement benefit
24 and in determining the years of service for retirement and/or

1 vesting purposes. Years of service rendered as a member of the
2 Teachers' Retirement System of Oklahoma prior to July 1, 1992, if
3 any, shall be deemed to be years of service rendered as a member of
4 the Oklahoma Public Employees Retirement System prior to July 1,
5 1992, and shall qualify such person as a member of the Oklahoma
6 Public Employees Retirement System before July 1, 1992.

7 5. Notwithstanding the requirements of Section 17-104 of Title
8 70 of the Oklahoma Statutes, members electing to take advantage of
9 the transfer authorized by this subsection who have withdrawn their
10 contributions from the sending system shall remit to the sending
11 system the amount of the accumulated contributions the member has
12 withdrawn plus simple interest of ten percent (10%) per annum prior
13 to making said election or the election shall be deemed invalid and
14 the transfer shall be canceled. If such an election is deemed
15 invalid and the transfer is canceled, the accumulated contribution
16 remitted to the sending system by the member who originally withdrew
17 their contributions shall be returned to the member. The member's
18 rights and obligations regarding any service credit reestablished in
19 the sending system due to a failure to satisfy the requirements of
20 this subsection shall be determined by the sending system in
21 accordance with Section 17-101 et seq. of Title 70 of the Oklahoma
22 Statutes.

23 6. If any member fails for any reason to satisfy the
24 requirements of this subsection, the election to transfer retirement

1 credit shall be void and of no effect, and any retirement credited
2 as a result of this transfer shall be canceled. If such retirement
3 credit is canceled, the years of canceled retirement credit which
4 were unsuccessfully transferred to the receiving system from the
5 sending system shall be reestablished in the sending system. The
6 member's rights and obligations regarding any retirement credit
7 reestablished in the sending system due to a failure to satisfy the
8 requirements of this subsection shall be determined by the sending
9 system in accordance with Section 17-101 et seq. of Title 70 of the
10 Oklahoma Statutes.

11 7. The Board of Trustees shall promulgate such rules as are
12 necessary to implement the provisions of this subsection.

13 H. 1. A member of the Teachers' Retirement System of Oklahoma
14 whose last service with the Teachers' Retirement System of Oklahoma
15 was with an entity or institution within The Oklahoma State System
16 of Higher Education, State Board of Education, State Board of Career
17 and Technology Education, Oklahoma Department of Career and
18 Technology Education, Oklahoma School of Science and Mathematics,
19 Oklahoma Center for the Advancement of Science and Technology, State
20 Department of Rehabilitation Services, Oklahoma State Regents for
21 Higher Education, Department of Corrections, State Department of
22 Education, Oklahoma Board of Private Vocational Schools, Board of
23 Regents of Oklahoma Colleges, Oklahoma Student Loan Authority, or
24 the Teachers' Retirement System of Oklahoma, may elect to receive

1 credit for those years of service accumulated by the member in the
2 Teachers' Retirement System of Oklahoma, pursuant to this
3 subsection. A member shall be eligible to elect to transfer credit
4 for such years of service from the Teachers' Retirement System of
5 Oklahoma to the Oklahoma Public Employees Retirement System if:

- 6 a. the member is an active member of the Oklahoma Public
7 Employees Retirement System,
- 8 b. the member provides notice to the Teachers' Retirement
9 System of Oklahoma and the Oklahoma Public Employees
10 Retirement System of the member's election to transfer
11 such retirement credit. The notice shall include a
12 list of the years to be transferred, and
- 13 c. the member is not receiving or eligible to receive
14 retirement credit or benefits from such service in any
15 other public retirement system, notwithstanding the
16 years of service sought to be transferred under this
17 subsection.

18 Members electing to take advantage of the transfer authorized by
19 this subsection shall have all service credit with the Teachers'
20 Retirement System of Oklahoma canceled which is transferred to the
21 Oklahoma Public Employees Retirement System.

22 2. For purposes of this subsection, the "sending system" shall
23 mean the Teachers' Retirement System of Oklahoma. The "receiving
24 system" shall mean the Oklahoma Public Employees Retirement System.

1 Within thirty (30) days after notification of an intent to transfer
2 is received by the sending system, the sending system shall,
3 according to its own rules, send to the receiving system all
4 employer and employee contributions made on behalf of the member
5 which were made to the sending system plus an additional amount of
6 earnings based on the actuarial assumed rate of the sending system.
7 Upon receipt of these contributions by the receiving system, the
8 receiving system shall give credit to the transferring member in an
9 amount equal to the years of service accrued in the sending system.

10 3. If the transferring member's normal retirement date
11 calculation is based upon the sum of the member's age and number of
12 years of credited service totaling eighty (80) in the sending
13 system, then the member shall retain such calculation in the
14 receiving system.

15 4. The Board of Trustees shall promulgate such rules as are
16 necessary to implement the provisions of this subsection.

17 I. A member of the System in the employment of the Governor,
18 the State Senate or the House of Representatives, on or after July
19 1, 1999, may make an election prior to December 31, 2000, which
20 shall be irrevocable and on a form prescribed for such purpose by
21 the System, to continue participation in the System upon becoming
22 employed by a participating employer of the Teachers' Retirement
23 System of Oklahoma. The Board shall promulgate all rules necessary
24 to implement the provisions of this subsection.

1 SECTION 2. AMENDATORY 74 O.S. 2011, Section 913.4, as
2 last amended by Section 2, Chapter 94, O.S.L. 2017 (74 O.S. Supp.
3 2017, Section 913.4), is amended to read as follows:

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

19 2. Contributions and benefits will be based upon the elected
20 official's annual compensation as defined in Section 902 of this
21 title. Employer and elected official contributions shall be
22 remitted at least monthly, or as the Board may otherwise provide, to
23 the System for deposit in the Oklahoma Public Employees Retirement
24

Fund. Effective July 1, 1994, and thereafter, the participating employer shall contribute as provided in Section 920 of this title.

3. Except as provided in paragraph 4 of this subsection, 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.

1 5. The contribution rate for elected officials who are first
2 elected or appointed to an elected office on or after November 1,
3 2011, shall be in the amount specified in paragraph (a) of
4 subsection (1) of Section 919.1 of this title. The amount of the
5 retirement benefit for elected officials who are first elected or
6 appointed to an elected office on or after November 1, 2011, shall
7 be based on the provisions of paragraph (1) of subsection A of
8 Section 915 of this title.

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

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

18 8. A statewide elected official or legislator whose first
19 service as an elected official occurs on or after November 1, 2015,
20 shall become a participant in the defined contribution system
21 created by Sections ~~±~~ 935.1 through ~~±~~ 935.11 of this ~~act~~ title and
22 such elected official shall not accrue any service credit in the
23 defined benefit plan of the Oklahoma Public Employees Retirement
24 System created pursuant to Section 901 et seq. of this title.

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
60	100%
59	94%
58	88%
57	82%
56	76%

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~~ elected or appointed 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 elected official has made the required election and has paid the required contributions on such salary.

2. The retirement benefit may be computed pursuant to the provisions of paragraph (1) of subsection A of Section 915 of this title if the benefit would be higher. Elected officials who have a vested benefit prior to July 1, 1980, may elect to receive annual

1 benefits based on the alternate formula provided above. Such annual
2 benefits shall be paid in equal monthly installments.

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

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

23 D. Any elected official making an election to participate at a
24 computation factor less than the maximum and later selecting a

1 higher computation factor shall contribute to the System a sum equal
2 to the amount which the elected official would have contributed if
3 the elected official had made such election at the time the elected
4 official first became eligible, plus interest as determined by the
5 Board, in order to receive the additional benefits for all service
6 as an elected official; otherwise, the additional benefits shall be
7 applicable only to service for which the elected official pays the
8 appropriate percent of contributions to the System.

9 E. The surviving spouse of a deceased elected official who was
10 first elected or appointed to an elected office before November 1,
11 2011, and who has at least six (6) years of participating service
12 and the surviving spouse of a deceased elected official who was
13 first elected or appointed to an elected office on or after November
14 1, 2011, and who has at least eight (8) years of participating
15 service shall be entitled to receive survivor benefits in the amount
16 herein prescribed, if married to the decedent continuously for a
17 period of at least three (3) years immediately preceding the elected
18 official's death. Provided the elected official had met the service
19 requirements, survivor benefits shall be payable when the deceased
20 member would have met the requirements for normal or early
21 retirement. The amount of the benefits the surviving spouse may
22 receive shall be fifty percent (50%) of the amount of benefits the
23 deceased elected official was receiving or will be eligible to
24 receive. Elected officials may elect a retirement option as

1 provided in Section 918 of this title in lieu of the survivors
2 benefit provided above.

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

9 G. Anyone appointed or elected to an elected position after
10 July 1, 1990, shall not be eligible to receive benefits as provided
11 in this section until such person has participated as an elected
12 official for six (6) years. Anyone appointed or elected to an
13 elected position on or after November 1, 2011, shall not be eligible
14 to receive benefits as provided in this section until such person
15 has participated as an elected official for eight (8) years.

16 H. Elected officials who terminate participation in the System
17 and who have a minimum of six (6) years of participating service
18 shall be entitled to elect a vested benefit and shall be entitled to
19 the retirement options as provided in Section 918 of this title in
20 lieu of the survivors benefit provided in subsection E of this
21 section. Elected officials, first elected or appointed to an
22 elected office on or after November 1, 2011, who terminate
23 participation in the System and who have a minimum of eight (8)
24 years of participating service shall be entitled to elect a vested

1 benefit and shall be entitled to retirement options as provided in
2 Section 918 of this title in lieu of the survivors benefits provided
3 in subsection E of this section.

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

10 SECTION 3. AMENDATORY 74 O.S. 2011, Section 915, as last
11 amended by Section 21, Chapter 297, O.S.L. 2016 (74 O.S. Supp. 2017,
12 Section 915), is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (8) Any person who contributed to the System as a correctional
16 officer, a probation and parole officer or a fugitive apprehension
17 agent as provided in paragraphs (c) or (d) of subsection (1) of
18 Section 919.1 of this title, and who retires under normal retirement
19 or early retirement on or after January 1, 2004, under paragraph
20 (24) of Section 902 of this title, and any public safety officer
21 described by paragraph (37) of Section 902 of this title hired on or
22 after the effective date of this act by the Grand River Dam
23 Authority and who retires on or after the effective date of this
24 act, shall have retirement benefits for each year of full-time-

1 equivalent participating service as a correctional officer, a
2 probation and parole officer or a fugitive apprehension agent, or
3 Grand River Dam public safety officer computed on two and one-half
4 percent (2 1/2%) of the final average compensation based upon those
5 years as a correctional officer, a probation and parole officer, a
6 fugitive apprehension agent or a Grand River Dam public safety
7 officer. For purposes of this paragraph, "final average
8 compensation" shall be determined by computing the average annual
9 salary, in the manner prescribed by paragraph (18) of Section 902 of
10 this title, for the highest three (3) years of the last ten (10)
11 years of participating service immediately preceding retirement or
12 termination of employment for all years of service performed by such
13 member, both for years of service performed as a correctional
14 officer, probation and parole officer or fugitive apprehension
15 agent, or years of service performed as a Grand River Dam public
16 safety officer, not in excess of twenty (20) years, and for years of
17 service performed in excess of twenty (20) years, whether as a
18 correctional officer, probation and parole officer, fugitive
19 apprehension agent, Grand River Dam public safety officer, or other
20 position unless the computation of benefits would result in a lower
21 retirement benefit amount than if final average compensation were to
22 be computed as otherwise provided by this paragraph. "Final average
23 compensation" shall be determined by computing the average annual
24 salary for the highest five (5) of the last ten (10) years of

1 participating service immediately preceding retirement or
2 termination of employment, with respect to members whose first
3 participating service occurs on or after July 1, 2013, or with
4 respect to Grand River Dam public safety officers whose first
5 participating service occurs on or after the effective date of this
6 act.

7 (9) Any member who is:

- 8 a. initially on or after July 1, 2002, employed as a
9 firefighter for the Oklahoma Military Department and
10 who retires on or after the member's normal retirement
11 date shall be entitled to receive an annual retirement
12 benefit equal to two and one-half percent (2 1/2%) of
13 the final average compensation of the member
14 multiplied by the number of years of service in such
15 service,
- 16 b. (1) a firefighter who performs firefighting services
17 for the Oklahoma Military Department prior to
18 July 1, 2002, and who makes an election in
19 writing on a form prescribed for this purpose by
20 the System not later than December 31, 2002,
21 shall be entitled to receive a retirement benefit
22 based upon two and one-half percent (2 1/2%) of
23 the final average compensation of the member
24 multiplied by the number of years of service as a

1 firefighter with the Oklahoma Military Department
2 on or after July 1, 2002. The election
3 authorized by this subdivision shall be
4 irrevocable once the election is filed with the
5 System,

- 6 (2) a firefighter who performs firefighting services
7 for the Oklahoma Military Department prior to
8 July 1, 2002, and who makes the election in
9 division (1) of this subparagraph may also make
10 an election in writing on a form prescribed for
11 this purpose by the System not later than
12 December 31, 2002, to receive a retirement
13 benefit based upon two and one-half percent (2
14 1/2%) of the final average compensation of the
15 member multiplied by the number of years of
16 service as a firefighter with the Oklahoma
17 Military Department prior to July 1, 2002. The
18 election authorized by this subdivision shall be
19 irrevocable once the election is filed with the
20 System. Retirement benefits shall be calculated
21 based upon the two and one-half percent (2 1/2%)
22 multiplier upon payment being made pursuant to
23 Section 913.5 of this title.
24

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

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

9 (12) Pursuant to the rules established by the Board, a retiree
10 receiving monthly benefits from the System may authorize warrant
11 deductions for any products currently offered to active state
12 employees through the Employees Benefits Council, provided that
13 product is offered to state retirees as a group and has a minimum
14 participation of five hundred state retirees. The System has no
15 responsibility for the marketing, enrolling or administration of
16 such products, but shall retain a processing fee of two percent (2%)
17 of the gross deductions for the products. Retirement benefit
18 deductions shall be made for membership dues for any statewide
19 association for which payroll deductions are authorized pursuant to
20 subsection B of Section 34.70 of Title 62 of the Oklahoma Statutes
21 for retired members of any state-supported retirement system, upon
22 proper authorization given by the member to the board from which the
23 member or beneficiary is currently receiving retirement benefits.

1 B. A member shall be considered disabled if such member
2 qualifies for the payment of Social Security disability benefits, or
3 the payment of benefits pursuant to the Railroad Retirement Act of
4 1974, Section 231 et seq. of Title 45 of the United States Code, and
5 shall be eligible for benefits hereunder upon proof of such
6 disability, provided such member is an active regularly scheduled
7 employee with a participating employer at the time of injury or
8 inception of illness or disease resulting in subsequent
9 certification of eligibility for Social Security disability benefits
10 by reason of such injury, illness or disease, providing such
11 disability is certified by the Social Security Administration within
12 one (1) year after the last date physically on the job and after
13 completion of at least eight (8) years of participating service or
14 combined prior and participating service or resulting in subsequent
15 certification of eligibility of disability by the Railroad
16 Retirement Board providing such certification is made by the
17 Railroad Retirement Board within one (1) year after the last date
18 physically on the job and after completion of at least eight (8)
19 years of participating service or combined prior and participating
20 service. The member shall submit to the Retirement System the
21 Social Security Award Notice or the Railroad Retirement Award Notice
22 certifying the date of entitlement for disability benefits, as
23 issued by the Social Security Administration, Department of Health
24 and Human Services or the Railroad Retirement Board. Disability

benefits shall become effective on the date of entitlement as established by the Social Security Administration or the Railroad Retirement Board, but not before the first day of the month following removal from the payroll, whichever is later, and final approval by the Retirement System. Benefits shall be based upon length of service and compensation as of the date of disability, without actuarial reduction because of commencement prior to the normal retirement date. The only optional form of benefit payment available for disability benefits is Option A as provided for in Section 918 of this title. Option A must be elected in accordance with the provisions of Section 918 of this title. Benefit payments shall cease upon the member's recovery from disability prior to the normal retirement date. Future benefits, if any, shall be paid based upon length of service and compensation as of the date of disability. In the event that disability ceases and the member returns to employment within the System credited service to the date of disability shall be restored, and future benefits shall be determined accordingly.

C. A member who incurred a disability pursuant to subsection B of this section on or after July 1, 1999, and who has retired from the System with an early retirement benefit pending certification from the Social Security Administration or the Railroad Retirement Board shall receive a retirement benefit not less than the disability retirement benefit provided by subsection B of this

1 section once the System receives a Social Security Award Notice or a
2 Railroad Retirement Award Notice pursuant to subsection B of this
3 section and a completed Application for Disability Benefits. In
4 addition, such member shall receive the difference, if any, between
5 the early retirement benefit and the disability benefit from the
6 date the Social Security Administration or the Railroad Retirement
7 Board establishes disability entitlement.

8 D. Any actively participating member of the System on or after
9 July 1, 1998, except for those employees provided in subparagraph
10 (e) of paragraph (14) of Section 902 of this title, whose employment
11 is less than full-time, shall have his or her final average
12 compensation calculated on an annualized basis using his or her
13 hourly wage subject to the maximum compensation limits; provided,
14 however, any such member who has at least three (3) years of full-
15 time employment during the last ten (10) years immediately preceding
16 termination or retirement shall not be eligible for the
17 annualization provisions contained herein. The Board of Trustees
18 shall promulgate such administrative rules as are necessary to
19 implement the provisions of this subsection.

20 SECTION 4. This act shall become effective November 1, 2018.

21
22 COMMITTEE REPORT BY: COMMITTEE ON BANKING AND BUSINESS, dated
23 02/14/2018 - DO PASS, As Amended and Coauthored.
24