1	HOUSE OF REPRESENTATIVES - FLOOR VERSION
2	STATE OF OKLAHOMA
3	2nd Session of the 59th Legislature (2024)
4	HOUSE BILL 2982 By: Kane of the House
5	and
6	Pemberton of the Senate
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9	AS INTRODUCED
10	An Act relating to retirement; amending 20 O.S. 2021, Section 1102C, which relates to the Uniform
11	Retirement System for Justices and Judges; amending 74 O.S. 2021, Sections 918 and 935.7, which relate to
12	the Oklahoma Public Employees Retirement System; modifying how retirement benefits shall be paid to
13	certain members; providing that spouse is not required to consent in writing to election of certain
14	benefit by member; permitting System to use certain funds as permitted by federal law; and providing an
15	effective date.
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18	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
19	SECTION 1. AMENDATORY 20 O.S. 2021, Section 1102C, is
20	amended to read as follows:
21	Section 1102C. A. Except as otherwise provided for in this
22	section and Section 1104.2 of this title, members who join the
23	Uniform Retirement System for Justices and Judges on September 1,
24	2005, or thereafter, may elect to have the retirement benefit paid

1 under one of the options provided in this section in lieu of having 2 it paid in the form stated in Section 1104 of this title. The 3 election of an option must be made prior to the member's retirement 4 date or to receipt of a benefit after termination of service with a 5 vested benefit. A specific person must be designated as joint annuitant at the time of the election of Option A or B. Election of 6 7 an option is available with respect to the vested benefit. All retirement benefits of a married member shall be paid pursuant to 8 9 the Option A plan or Option B plan as provided for in this section 10 unless the spouse of a member consents in writing for the unreduced 11 benefits to be paid as provided for in Section 1104 of this title. 12 The spouse of the member is not required to consent in writing to 13 the election of the Option B plan by the member.

B. The amount of retirement benefit payable under an option shall be based on the age and sex of the member and the age and sex of the joint annuitant at the retirement date, and shall be such amount as to be the actuarial equivalent of the retirement benefit otherwise payable under Section 1104 of this title.

19 C. The retirement options are:

20 Option A. Joint and one-half to joint annuitant survivor. A 21 reduced retirement benefit is payable to the retiree during his or 22 her lifetime with one-half (1/2) of that amount continued to the 23 joint annuitant during such joint annuitant's remaining lifetime, if 24 any, after the death of the retiree. If the named joint annuitant

1 dies at any time after the member's retirement date, but before the 2 death of the retiree, the retiree shall return to the unreduced retirement benefit, including any postretirement benefit increases, 3 4 the member would have received had the member not selected Option A. 5 The benefit shall be determined at the date of death of the named joint annuitant. This increase shall become effective the first day 6 7 of the month following the date of death of the named joint annuitant, and shall be payable for the retiree's remaining 8 9 lifetime. The retiree shall notify the Uniform Retirement System 10 for Justices and Judges of the death of the named joint annuitant in 11 In the absence of the written notice being filed by the writing. 12 member notifying the Uniform Retirement System for Justices and 13 Judges of the death of the named joint annuitant within six (6) 14 months of the date of death, nothing in this subsection shall 15 require the Uniform Retirement System for Justices and Judges to pay 16 more than six (6) months of retrospective benefits increase.

Option B. Joint and survivor. A reduced retirement benefit is 17 18 payable to the retiree during his or her lifetime with that amount 19 continued to the joint annuitant during the joint annuitant's 20 remaining lifetime, if any, after the death of the retiree. If the 21 named joint annuitant dies at any time after the member's retirement 22 date, but before the death of the retiree, the retiree shall return 23 to the unreduced retirement benefit, including any postretirement 24 benefit increases, the member would have received had the member not

1 selected Option B. The benefit shall be determined at the date of 2 death of the named joint annuitant. This increase shall become effective the first day of the month following the date of death of 3 4 the named joint annuitant, and shall be payable for the retiree's 5 remaining lifetime. The retiree shall notify the Uniform Retirement 6 System for Justices and Judges of the death of the named joint 7 annuitant in writing. In the absence of such written notice being filed by the member notifying the Uniform Retirement System for 8 9 Justices and Judges of the death of the named joint annuitant within 10 six (6) months of the date of death, nothing in this subsection shall require the Uniform Retirement System for Justices and Judges 11 12 to pay more than six (6) months of retrospective benefits increase.

13 If a member who is eligible to retire in accordance with the D. 14 provisions of this section or Section 1104 of this title but is not 15 actually retired or is eligible to vest or has elected a vested 16 benefit dies, the member's spouse may elect to receive benefits as a 17 joint annuitant under Option B, calculated as if the member retired 18 on the date of death, in lieu of receiving the member's accumulated 19 contributions. However, no benefits shall be payable before the 20 date the deceased member would have met the requirements for a 21 normal or early retirement. The provisions of this paragraph shall 22 be applicable to a surviving spouse of a deceased member who died 23 prior to the effective date of this act, but only if no benefits or 24 distributions have been previously paid.

1SECTION 2.AMENDATORY74 O.S. 2021, Section 918, is2amended to read as follows:

Section 918. (1) Except as otherwise provided for in this 3 4 section and Section 918.1 of this title, a member may elect to have 5 the retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in Section 6 7 915 of this title. The election of an option must be made at any time prior to retirement or prior to termination of service with a 8 9 vested benefit. A specific person must be designated as joint 10 annuitant at the time of election of Option A or B. Election of an 11 option is available with respect to the vested benefit. All 12 retirement benefits of a married member shall be paid pursuant to 13 the Option A plan or Option B plan as provided for in this section 14 unless the spouse of a member consents in writing for the benefits 15 to be paid as provided for in Section 915 of this title or pursuant 16 to Option C as provided for in this section. The spouse of the 17 member is not required to consent in writing to the election of the 18 Option B plan by the member.

19 (2) The amount of retirement benefit payable under an option 20 shall be based on the age and sex of the member and the age and sex 21 of the joint annuitant, and shall be such amount as to be the 22 actuarial equivalent of the retirement benefit otherwise payable 23 under Section 915 of this title.

24 (3) The retirement options are:

1 Option A. Joint and one-half to joint annuitant survivor. A 2 reduced retirement benefit is payable to the retiree during his or her lifetime with one-half (1/2) of that amount continued to the 3 4 joint annuitant during such joint annuitant's remaining lifetime, if 5 any, after the death of the retiree. If the named joint annuitant dies at any time after the member's retirement date, but before the 6 7 death of the retiree, the retiree shall return to the retirement benefit, including any post-retirement benefit increases the member 8 9 would have received had the member not selected Option A. The benefit shall be determined at the date of death of the named joint 10 11 annuitant or July 1, 1994, whichever is later. This increase shall 12 become effective the first day of the month following the date of 13 death of the named joint annuitant or July 1, 1994, whichever is 14 later, and shall be payable for the retiree's remaining lifetime. 15 The retiree shall notify the Oklahoma Public Employees Retirement 16 System of the death of the named joint annuitant in writing. In the 17 absence of the written notice being filed by the member notifying 18 the Oklahoma Public Employees Retirement System of the death of the 19 named joint annuitant within six (6) months of the date of death, 20 nothing in this subsection shall require the Oklahoma Public 21 Employees Retirement System to pay more than six (6) months of 22 retrospective benefits increase.

23 Option B. Joint and survivor. A reduced retirement benefit is 24 payable to the retiree during his or her lifetime with that amount

1 continued to the joint annuitant during the joint annuitant's 2 remaining lifetime, if any, after the death of the retiree. If the named joint annuitant dies at any time after the member's retirement 3 4 date, but before the death of the retiree, the retiree shall return 5 to the retirement benefit, including any post retirement benefit increases the member would have received had the member not selected 6 7 The benefit shall be determined at the date of death of Option B. the named joint annuitant or July 1, 1994, whichever is later. 8 This 9 increase shall become effective the first day of the month following 10 the date of death of the named joint annuitant or July 1, 1994, 11 whichever is later, and shall be payable for the retiree's remaining 12 lifetime. The retiree shall notify the Oklahoma Public Employees 13 Retirement System of the death of the named joint annuitant in 14 In the absence of such written notice being filed by the writing. 15 member notifying the Oklahoma Public Employees Retirement System of 16 the death of the named joint annuitant within six (6) months of the 17 date of death, nothing in this subsection shall require the Oklahoma 18 Public Employees Retirement System to pay more than six (6) months 19 of retrospective benefits increase.

20 Option C. Life with ten (10) years certain. A reduced 21 retirement benefit is payable to the retiree during his or her 22 lifetime and if the retiree dies within the ten-year certain period, 23 measured from the commencement of retirement benefits payments, such 24 payments will be continued to the beneficiary during the balance of

1 the ten-year certain period. If the retiree dies within the ten-2 year certain period, and there are no living designated beneficiaries, the person responsible for the estate of the retiree 3 4 may elect for the estate to be paid the benefits for the remainder 5 of the term or to receive the present value of the remaining benefit 6 payments according to rules adopted by the Board of Trustees of the 7 If the retiree predeceases a designated beneficiary within System. the ten-year certain period, and the beneficiary dies after the 8 9 beneficiary has begun to receive benefits, the person responsible 10 for the estate of the beneficiary may elect for the estate to be 11 paid the benefits for the remainder of the term or to receive the 12 present value of the remaining benefit payments according to rules 13 adopted by the Board of Trustees of the System.

14 (4) If the selection of a joint annuitant would violate the 15 distribution requirements contained in Section 918.1 of this title, 16 such selection will not be permitted.

17 (5)If a member who is eligible to retire in accordance with 18 the provisions of Section 914 of this title but is not actually 19 retired or is eligible to vest or has elected a vested benefit dies, 20 the member's spouse may elect to receive benefits as a joint 21 annuitant under Option B calculated as if the member retired on the 22 date of death, in lieu of receiving the member's accumulated 23 contributions. However, no benefits shall be payable before the 24 date the deceased member would have met the requirements for a

normal or early retirement. The provisions of this paragraph shall be applicable to a surviving spouse of a deceased member who died prior to the effective date of this act, but only if no benefits or distributions have been previously paid.

5 (6) Benefits payable to a joint annuitant shall accrue from the 6 first day of the month following the death of a member or retiree 7 and, in the case of Option A and Option B, shall end on the last day 8 of the month in which the joint annuitant dies.

9 SECTION 3. AMENDATORY 74 O.S. 2021, Section 935.7, is 10 amended to read as follows:

Section 935.7 A. Participating employees shall at all times be vested at one hundred percent (100%) of their accounts containing solely their employee contributions, and the gains or losses on these contributions. Participating employees will have investment discretion over these accounts within the available options offered by the Board.

B. Participating employees shall be vested with respect to the employer matching amounts, and the gains or losses on these funds, deposited into their defined contribution system account or accounts according to the following schedule based on years of participating service:

 22
 Year 1
 20%

 23
 Year 2
 40%

 24
 Year 3
 60%

1

Year 4

80%

2 Year 5 and thereafter 100%

3 C. Participating employees will have investment discretion over4 all employer contributions.

D. For purposes of determining a participating employee's right
to withdraw employer matching contributions and any investment gains
upon such employer contribution matching amounts, the vesting
percentages apply at the end of each full year of service as
described in subsection B of this section.

E. For participating employees who do not select any investment options, the OPERS Board will establish default investment options for the contributions received from participating employees and default investment options for matching employer contributions.

14 To the extent that participants leave employment and have F. 15 not vested in all of the employer contributions, the nonvested 16 employer contributions, including any gains or losses, shall be 17 immediately forfeited to the 401(a) plan and may be used to offset 18 costs of administering the plan or as permitted by federal law. 19 Upon reemployment with an employer and satisfying the eligibility 20 requirements to become a participant, the reemployed participant 21 shall receive credit for previous service and be vested at the same 22 percentage the participant was vested when service was previously 23 terminated. However, under no circumstances shall the participant 24 be entitled to any previously forfeited employer contributions.

1	SECTION 4. This act shall become effective November 1, 2024.
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3	COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
4	PENSIONS, dated 02/27/2024 - DO PASS, As Coauthored.
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