

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 448

By: Montgomery

AS INTRODUCED

An Act relating to retirement benefits payment; amending 20 O.S. 2021, Section 1102C, which relates to payment to members of the Uniform Retirement System for Justices and Judges; conforming language; amending 74 O.S. 2021, Section 918, which relates to payment to members of the Oklahoma Public Employees Retirement System; conforming language; and providing an effective date.

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

SECTION 1. AMENDATORY 20 O.S. 2021, Section 1102C, is amended to read as follows:

Section 1102C. A. Except as otherwise provided for in this section and Section 1104.2 of this title, members who join the Uniform Retirement System for Justices and Judges on September 1, 2005, or thereafter, may elect to have 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 1104 of this title. The election of an option must be made prior to the member's retirement date or to receipt of a benefit after termination of service with a vested benefit. A specific person must be designated as joint

1 annuitant at the time of the election of Option A or B. Election of  
2 an option is available with respect to the vested benefit. All  
3 retirement benefits of a married member shall be paid pursuant to  
4 the Option A plan ~~or Option B plan~~ as provided for in this section  
5 unless the spouse of a member consents in writing for the unreduced  
6 benefits to be paid as provided for in Section 1104 of this title.  
7 The spouse of the member is not required to consent in writing to  
8 the election of the Option B plan by the member.

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

14 C. The retirement options are:

15 Option A. Joint and one-half to joint annuitant survivor. A  
16 reduced retirement benefit is payable to the retiree during his or  
17 her lifetime with one-half (1/2) of that amount continued to the  
18 joint annuitant during such joint annuitant's remaining lifetime, if  
19 any, after the death of the retiree. If the named joint annuitant  
20 dies at any time after the member's retirement date, but before the  
21 death of the retiree, the retiree shall return to the unreduced  
22 retirement benefit, including any ~~postretirement~~ post-retirement  
23 benefit increases, the member would have received had the member not  
24 selected Option A. The benefit shall be determined at the date of

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

12 Option B. Joint and survivor. A reduced retirement benefit is  
13 payable to the retiree during his or her lifetime with that amount  
14 continued to the joint annuitant during the joint annuitant's  
15 remaining lifetime, if any, after the death of the retiree. If the  
16 named joint annuitant dies at any time after the member's retirement  
17 date, but before the death of the retiree, the retiree shall return  
18 to the unreduced retirement benefit, including any ~~postretirement~~  
19 post-retirement benefit increases, the member would have received  
20 had the member not selected Option B. The benefit shall be  
21 determined at the date of death of the named joint annuitant. This  
22 increase shall become effective the first day of the month following  
23 the date of death of the named joint annuitant, and shall be payable  
24 for the retiree's remaining lifetime. The retiree shall notify the

1 Uniform Retirement System for Justices and Judges of the death of  
2 the named joint annuitant in writing. In the absence of such  
3 written notice being filed by the member notifying the Uniform  
4 Retirement System for Justices and Judges of the death of the named  
5 joint annuitant within six (6) months of the date of death, nothing  
6 in this subsection shall require the Uniform Retirement System for  
7 Justices and Judges to pay more than six (6) months of retrospective  
8 benefits increase.

9 D. If a member who is eligible to retire in accordance with the  
10 provisions of this section or Section 1104 of this title but is not  
11 actually retired or is eligible to vest or has elected a vested  
12 benefit dies, the member's spouse may elect to receive benefits as a  
13 joint annuitant under Option B, calculated as if the member retired  
14 on the date of death, in lieu of receiving the member's accumulated  
15 contributions. However, no benefits shall be payable before the  
16 date the deceased member would have met the requirements for a  
17 normal or early retirement. The provisions of this paragraph shall  
18 be applicable to a surviving spouse of a deceased member who died  
19 prior to ~~the effective date of this act~~ September 1, 2005, but only  
20 if no benefits or distributions have been previously paid.

21 SECTION 2. AMENDATORY 74 O.S. 2021, Section 918, is  
22 amended to read as follows:

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

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

20 (3) The retirement options are:

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

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

19       Option B. Joint and survivor. A reduced retirement benefit is  
20 payable to the retiree during his or her lifetime with that amount  
21 continued to the joint annuitant during the joint annuitant's  
22 remaining lifetime, if any, after the death of the retiree. If the  
23 named joint annuitant dies at any time after the member's retirement  
24 date, but before the death of the retiree, the retiree shall return

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

17 Option C. Life with ten (10) years certain. A reduced  
18 retirement benefit is payable to the retiree during his or her  
19 lifetime and if the retiree dies within the ten-year certain period,  
20 measured from the commencement of retirement benefits payments, such  
21 payments will be continued to the beneficiary during the balance of  
22 the ten-year certain period. If the retiree dies within the ten-  
23 year certain period, and there are no living designated  
24 beneficiaries, the person responsible for the estate of the retiree

1 may elect for the estate to be paid the benefits for the remainder  
2 of the term or to receive the present value of the remaining benefit  
3 payments according to rules adopted by the Board of Trustees of the  
4 System. If the retiree predeceases a designated beneficiary within  
5 the ten-year certain period, and the beneficiary dies after the  
6 beneficiary has begun to receive benefits, the person responsible  
7 for the estate of the beneficiary may elect for the estate to be  
8 paid the benefits for the remainder of the term or to receive the  
9 present value of the remaining benefit payments according to rules  
10 adopted by the Board of Trustees of the System.

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

14 (5) If a member who is eligible to retire in accordance with  
15 the provisions of Section 914 of this title but is not actually  
16 retired or is eligible to vest or has elected a vested benefit dies,  
17 the member's spouse may elect to receive benefits as a joint  
18 annuitant under Option B calculated as if the member retired on the  
19 date of death, in lieu of receiving the member's accumulated  
20 contributions. However, no benefits shall be payable before the  
21 date the deceased member would have met the requirements for a  
22 normal or early retirement. The provisions of this paragraph shall  
23 be applicable to a surviving spouse of a deceased member who died  
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1 prior to ~~the effective date of this act~~ July 1, 2002, but only if no  
2 benefits or distributions have been previously paid.

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

7 SECTION 3. This act shall become effective November 1, 2023.

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9 59-1-268 RD 1/17/2023 9:53:23 AM