

An Act

ENROLLED HOUSE
BILL NO. 1458

By: Kane of the House

and

Daniels of the Senate

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2021, Section 916.1, which relates to death benefits; permitting beneficiaries to disclaim death benefits; providing for transfer of death benefits; providing that disclaimer shall be in writing; providing time period disclaimer is to be received by the transferor; discharging and releasing System from liability, obligation, and costs; and providing an effective date.

SUBJECT: Oklahoma Public Employees Retirement System

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 916.1, is amended to read as follows:

Section 916.1. A. Upon the death of a retired member, the Oklahoma Public Employees Retirement System shall pay to the beneficiary of the member or if there is no beneficiary or if the beneficiary predeceases the member, to the estate of the member, the sum of Four Thousand Dollars (\$4,000.00) as a death benefit for those retired members who died prior to July 1, 1999. For those retired members who died on or after July 1, 1999, the sum shall be Five Thousand Dollars (\$5,000.00). The benefit payable pursuant to this subsection shall be deemed, for purposes of federal income taxation, as life insurance proceeds and not as a death benefit if the Internal Revenue Service approves this provision pursuant to a private letter ruling request which shall be submitted by the board of trustees of the System for that purpose.

B. Upon the death of a member who dies leaving no living beneficiary or having designated his estate as beneficiary, the System may pay any applicable death benefit, unpaid contributions, or unpaid benefit which may be subject to probate, in an amount of Twenty-five Thousand Dollars (\$25,000.00) or less, without the intervention of the probate court or probate procedure pursuant to Section 1 et seq. of Title 58 of the Oklahoma Statutes.

1. Before any applicable probate procedure may be waived, the System must be in receipt of the member's proof of death and the following documents from those persons claiming to be the legal heirs of the deceased member:

- a. the member's valid last will and testament, trust documents or affidavit that a will does not exist,
- b. an affidavit or affidavits of heirship which must state:
 - (1) the names and signatures of all claiming heirs to the deceased member's estate including the claiming heirs' names, relationship to the deceased, current addresses and current telephone numbers,
 - (2) a statement or statements by the claiming heirs that no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction,
 - (3) a description of the personal property claimed (i.e., death benefit or unpaid contributions or both), together with a statement that such personal property is subject to probate, and
 - (4) a statement by each individual claiming heir identifying the amount of personal property that the heir is claiming from the System, and that the heir has been notified of, is aware of and consents to the identified claims of all the other claiming heirs of the deceased member pending with the System,
- c. a written agreement or agreements signed by all claiming heirs of the deceased member which provides

that the claiming heirs release, discharge and hold harmless the System from any and all liability, obligations and costs which it may incur as a result of making a payment to any of the deceased member's heirs,

- d. a corroborating affidavit from an individual other than a claiming heir, who was familiar with the affairs of the deceased member, and
- e. proof that all debts of the deceased member, including payment of last sickness, hospital, medical, death, funeral and burial expenses have been paid or provided for.

2. The Executive Director of the System shall retain complete discretion in determining which requests for probate waiver may be granted or denied, for any reason. Should the System have any question as to the validity of any document presented by the claiming heirs, or as to any statement or assertion contained therein, the probate requirement provided for in Section 1 et seq. of Title 58 of the Oklahoma Statutes shall not be waived.

3. After paying any death benefits or unpaid contributions to any claiming heirs as provided pursuant to this subsection, the System is discharged and released from any and all liability, obligation and costs to the same extent as if the System had dealt with a personal representative of the deceased member. The System is not required to inquire into the truth of any matter specified in this subsection or into the payment of any estate tax liability.

C. ~~Death~~ The beneficiary or beneficiaries of death benefits provided pursuant to this section may be assigned by the beneficiary elect to disclaim the death benefits, in which case such benefits shall be transferred to a person licensed as a funeral director or to a lawfully recognized business entity licensed as required by law to provide funeral services for the deceased member. The qualified disclaimer shall be in writing and shall be an irrevocable and unqualified refusal to accept all or a portion of the death benefit. It shall be received by the transferor no more than nine (9) months after the later of the day the transfer creating the interest in the disclaiming person is made or the day the disclaiming person attains age twenty-one (21). The interest in the death benefits shall pass without direction by the disclaiming person to another person. After paying death benefits to any beneficiary or the member's

estate pursuant to this subsection, the System shall be discharged and released from any and all liability, obligation, and costs. The System is not required to inquire into the truth of any matter specified in this subsection or into the payment of any tax liability.

SECTION 2. This act shall become effective November 1, 2025.

Passed the House of Representatives the 11th day of March, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 1st day of May, 2025.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

THOMAS E. CUMMINS CONSULTING ACTUARY, INC.

2512 E. 71st Street , Suite D • Tulsa, Oklahoma 74136
(918) 492-9658 • (918) 492- 9659

December 27, 2024

Representative Kane
Room 432

Re: RBH No. 11377

RBH No 11377 is a clarification bill dealing with assignment of the death benefit in Oklahoma Public Employees Retirement System.

RBS No. 11377 is a non fiscal bill as defined OPLAAA,

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Thomas E. Cummins

Thomas E. Cummins, MAAA