

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 1237

By: Humphrey

AS INTRODUCED

An Act relating to public retirement systems; amending 11 O.S. 2021, Section 49-113.2, which relates to the Oklahoma Firefighters Pension and Retirement System; amending 11 O.S. 2021, Section 50-115.2, which relates to the Oklahoma Police Pension and Retirement System; amending 20 O.S. 2021, Section 1103E, which relates to the Uniform Retirement System for Justices and Judges; amending 47 O.S. 2021, Section 2-306.3, which relates to the Oklahoma Law Enforcement Retirement System; amending 70 O.S. 2021, Section 17-105, as amended by Section 4, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2024, Section 17-105), which relates to the Teachers' Retirement System of Oklahoma; amending 74 O.S. 2021, Section 916.1, which relates to the Oklahoma Public Employees Retirement System; modifying death benefit amount; and providing an effective date.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 49-113.2, is amended to read as follows:

Section 49-113.2. A. Upon the death of an active or retired member, the System shall pay to the surviving spouse of the member if the surviving spouse has been married to the firefighter for thirty (30) continuous months preceding the member's death provided

1 a surviving spouse of a member who died while in, or as a
2 consequence of, the performance of the member's duty for a
3 participating municipality shall not be subject to the marriage
4 limitation for survivor benefits, or if there is no surviving spouse
5 or no surviving spouse meeting the requirements of this section, the
6 System shall pay to the designated recipient or recipients of the
7 member, or if there is no designated recipient or if the designated
8 recipient predeceases the member, to the estate of the member, the
9 sum of Four Thousand Dollars (\$4,000.00) for those active or retired
10 members who died prior to July 1, 1999. For those active or retired
11 members who die on or after ~~July 1, 1999~~ the effective date of this
12 act, the sum shall be ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand
13 Dollars (\$10,000.00).

14 B. Upon the death of a member who dies leaving no living
15 designated recipient or having designated the member's estate as
16 recipient, the System may pay any applicable death benefit which may
17 be subject to probate, in an amount of ~~Five Thousand Dollars~~
18 ~~(\$5,000.00)~~ Ten Thousand Dollars (\$10,000.00), to the heir or heirs
19 of the member without the intervention of a probate court or probate
20 procedures.

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

- 1 1. The member's last will and testament if available;
- 2 2. An affidavit or affidavits of heirship which must contain:
 - 3 a. the names and signatures of all claiming heirs to the
 - 4 deceased member's estate including the claiming heirs'
 - 5 names, relationship to the deceased member, current
 - 6 addresses and current telephone numbers,
 - 7 b. a statement or statements by the claiming heirs that
 - 8 no application or petition for the appointment of a
 - 9 personal representative is pending or has been granted
 - 10 in any jurisdiction,
 - 11 c. a statement that the value of the deceased member's
 - 12 entire probate estate, less liens and encumbrances,
 - 13 does not exceed the dollar limit pursuant to Section
 - 14 393 of Title 58 of the Oklahoma Statutes, including
 - 15 the payment of benefits from the System, and
 - 16 d. a statement by each individual claiming heir
 - 17 identifying the amount of personal property that the
 - 18 heir is claiming from the System or the amount the
 - 19 heir agrees to be paid to another person, and that the
 - 20 heir has been notified of, is aware of and consents to
 - 21 the identified claims of all the other claiming heirs
 - 22 of the deceased member pending with the System;
- 23 3. A written agreement or agreements signed by all claiming
- 24 heirs of the deceased member which provides that the claiming heirs

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

4 4. A corroborating affidavit from an individual other than a
5 claiming heir, who was familiar with the affairs of the deceased
6 member; and

7 5. Proof that funeral and burial expenses of the deceased
8 member have been paid or provided for.

9 D. The System shall retain complete discretion in determining
10 which requests for probate waiver may be granted or denied, for any
11 reason. Should the System have any questions as to the validity of
12 any document presented by the claiming heirs, or as to any statement
13 or assertion contained therein, the probate requirements provided
14 for in Section 1 et seq. of Title 58 of the Oklahoma Statutes shall
15 not be waived.

16 E. After paying any death benefits to any claiming heirs as
17 provided pursuant to this section, the System is discharged and
18 released from any and all liability, obligation and costs to the
19 same extent as if the System had paid a personal representative
20 holding valid letters testamentary issued by a court of competent
21 jurisdiction. The System is not required to inquire into the truth
22 of any matter specified in this section or into the payment of any
23 estate tax liability.

1 F. The provisions of this section shall not be subject to
2 qualified domestic orders as provided in subsection B of Section 49-
3 126 of this title.

4 G. 1. For purposes of this section, if a person makes a
5 qualified disclaimer with respect to the death benefit provided for
6 in subsection A of this section, this section shall apply with
7 respect to such death benefit as if the death benefit had never been
8 transferred to such person.

9 2. For purposes of this subsection, the term "qualified
10 disclaimer" means an irrevocable and unqualified refusal by a
11 person, including but not limited to the surviving spouse of the
12 deceased member, to accept an interest in the death benefit provided
13 for in subsection A of this section, but only if:

- 14 a. such refusal is in writing,
- 15 b. such writing is received by the System not later than
16 the date which is nine (9) months after the date of
17 death of the deceased member,
- 18 c. such person has not accepted the death benefit
19 provided for in subsection A of this section, and
- 20 d. as a result of such refusal, the death benefit
21 provided for in subsection A of this section passes
22 without any direction on the part of the person making
23 the disclaimer and passes first, to the organization
24 providing funeral and burial services for the deceased

1 member or, if the cost of the funeral and burial
2 services for the deceased member has already been
3 paid, to the person or persons other than the person
4 making the disclaimer as further provided for in this
5 section.

6 SECTION 2. AMENDATORY 11 O.S. 2021, Section 50-115.2, is
7 amended to read as follows:

8 Section 50-115.2. Upon the death of an active or retired
9 member, the Oklahoma Police Pension and Retirement System shall pay
10 to the beneficiary of the member under paragraph 13 of Section 50-
11 101 of this title or if there is no such beneficiary or if such
12 beneficiary predeceases the member, to the member's estate or, if
13 properly designated by the member, to a trust, the sum of Four
14 Thousand Dollars (\$4,000.00) as a death benefit for those active or
15 retired members who died prior to July 1, 1999. For those active or
16 retired members who die on or after ~~July 1, 1999~~ the effective date
17 of this act, the sum shall be ~~Five Thousand Dollars (\$5,000.00)~~ Ten
18 Thousand Dollars (\$10,000.00).

19 SECTION 3. AMENDATORY 20 O.S. 2021, Section 1103E, is
20 amended to read as follows:

21 Section 1103E. Upon the death of a retired member, the Uniform
22 Retirement System for Justices and Judges shall pay to the
23 beneficiary of the member or if there is no beneficiary or if the
24 beneficiary predeceases the member, to the estate of the member, the

1 sum of Four Thousand Dollars (\$4,000.00) as a death benefit for
2 those retired members who died prior to July 1, 1999. For those
3 retired members who die on or after ~~July 1, 1999~~ the effective date
4 of this act, the sum shall be ~~Five Thousand Dollars (\$5,000.00)~~ Ten
5 Thousand Dollars (\$10,000.00). The benefit payable pursuant to this
6 section shall be deemed, for purposes of federal income taxation, as
7 life insurance proceeds and not as a death benefit if the Internal
8 Revenue Service approves this provision pursuant to a private letter
9 ruling request which shall be submitted by the board of trustees of
10 the System for that purpose.

11 SECTION 4. AMENDATORY 47 O.S. 2021, Section 2-306.3, is
12 amended to read as follows:

13 Section 2-306.3. Upon the death of an active or retired member,
14 the Oklahoma Law Enforcement Retirement System shall pay to the
15 designated beneficiary of the member as defined in paragraph 17 of
16 Section 2-300 of this title or if there is no such designated
17 beneficiary or if such designated beneficiary predeceases the
18 member, to the estate of the member, the sum of Four Thousand
19 Dollars (\$4,000.00) as a death benefit for those active or retired
20 members who died prior to July 1, 1999. For those active or retired
21 members who die on or after ~~July 1, 1999~~ the effective date of this
22 act, the sum shall be ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand
23 Dollars (\$10,000.00).

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1 SECTION 5. AMENDATORY 70 O.S. 2021, Section 17-105, as
2 amended by Section 4, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2024,
3 Section 17-105), is amended to read as follows:

4 Section 17-105. A. 1. Any member who has attained age fifty-
5 five (55) or who has completed thirty (30) years of creditable
6 service, as defined in Section 17-101 of this title, or for any
7 person who initially became a member prior to July 1, 1992,
8 regardless of whether there were breaks in service after July 1,
9 1992, whose age and number of years of creditable service total
10 eighty (80) may be retired upon proper application for retirement as
11 established by the Teachers' Retirement System of Oklahoma. Such a
12 retirement date will also apply to any person who became a member of
13 the sending system as defined in Section 17-116.2 of this title,
14 prior to July 1, 1992, regardless of whether there were breaks in
15 service after July 1, 1992. Any person who became a member after
16 June 30, 1992, but prior to November 1, 2011, whose age and number
17 of years of creditable service total ninety (90) may be retired upon
18 proper application for retirement as established by the System. Any
19 person who becomes a member on or after November 1, 2011, who
20 attains the age of sixty-five (65) years or who reaches a normal
21 retirement date pursuant to subparagraph d of paragraph 22 of
22 Section 17-101 of this title having attained a minimum age of sixty
23 (60) years may be retired upon proper application for retirement as
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1 established by the System. The application shall be filed with the
2 System in a manner required by the Board of Trustees.

3 2. The employer shall provide the System with the following
4 information for a retiring member, no later than the fifteenth day
5 of the month of retirement: last day physically on the job; last
6 day on payroll; any regular compensation not already reported to the
7 System; and final unused sick leave balance.

8 3. Failure to submit this information by the deadline, or
9 errors in submitted information that result in a disqualification of
10 retirement eligibility, shall be the responsibility of the employer.
11 In cases where the error results in disqualification of retirement
12 eligibility, it is the employer's responsibility to reemploy the
13 member, or retain the member on the payroll, for the time period
14 required to reach eligibility, not exceeding two (2) months.

15 B. An individual who becomes a member of the Teachers'
16 Retirement System of Oklahoma after July 1, 1967, through October
17 31, 2017, shall be employed by the public schools, state colleges,
18 or universities of Oklahoma for a minimum of five (5) years and be a
19 contributing member of the Teachers' Retirement System of Oklahoma
20 for a minimum of five (5) years to qualify for monthly retirement
21 benefits from the Teachers' Retirement System of Oklahoma.

22 An individual who becomes a member of the Teachers' Retirement
23 System of Oklahoma on or after November 1, 2017, shall be employed
24 by the public schools, state colleges or universities of Oklahoma

1 for a minimum of seven (7) years and be a contributing member of the
2 Teachers' Retirement System of Oklahoma for a minimum of seven (7)
3 years to qualify for monthly retirement benefits from the Teachers'
4 Retirement System of Oklahoma.

5 C. Individuals becoming members after July 1, 1967, through
6 October 31, 2017, with five (5) or more years of Oklahoma service
7 and whose accumulated contributions during such period have not been
8 withdrawn shall be given an indefinite extension of membership
9 beginning with the sixth year following the member's last
10 contributing membership.

11 Individuals becoming members on or after November 1, 2017, with
12 seven (7) or more years of Oklahoma service and whose accumulated
13 contributions during such period have not been withdrawn shall be
14 given an indefinite extension of membership beginning with the
15 eighth year following the member's last contributing membership.

16 D. Nonclassified optional personnel who have retired or who
17 retire at sixty-two (62) years of age or older or whose retirement
18 is because of disability shall have minimum retirement benefits
19 calculated on an average salary of Five Thousand Three Hundred Fifty
20 Dollars (\$5,350.00) or, if a larger monthly allowance would result,
21 an amount arrived at pursuant to application of the formula
22 prescribed herein.

23 E. No member shall receive a lesser retirement benefit than the
24 member would have received under the law in effect at the time the

1 member retired. Any individual under the Teachers' Retirement
2 System of Oklahoma, who through error in stating the title of the
3 position which the member held, may, at the discretion of the Board
4 of Trustees, be changed from the nonclassified optional group to the
5 classified group for the purpose of calculating retirement benefits.

6 F. The value of each year of prior service is the total monthly
7 retirement benefit divided by the number of years of creditable
8 service.

9 G. Upon application of a member who is actively engaged in
10 teaching in Oklahoma or upon application of the member's employer,
11 any member who has been a contributing member for ten (10) years may
12 be retired by the System subsequent to the execution and filing
13 thereof, on a disability retirement allowance, provided that it is
14 found by the Medical Board after medical examination of such member
15 by a duly qualified physician that such member is mentally or
16 physically incapacitated for further performance of duty, that such
17 incapacity is likely to be permanent, and that such member should be
18 retired. The System shall rely on and give full consideration to
19 the conclusions and recommendations in the certified written report
20 of the Medical Board of the Teachers' Retirement System of Oklahoma
21 regarding the disability application of such member. If the Medical
22 Board does not find that a member applying for disability retirement
23 is mentally or physically incapacitated for performance of duty or
24 otherwise eligible for a disability retirement, the application

1 shall then be considered by the Board of Trustees. If a member is
2 determined to be eligible for disability benefits pursuant to the
3 Social Security System, then such determination shall entitle the
4 member to the authorized disability retirement benefits provided by
5 law. For members who are not eligible for disability benefits
6 pursuant to the Social Security Administration, the Board of
7 Trustees and the Medical Board shall apply the same standard for
8 which provision is made in the first two sentences of this
9 subsection for determining the eligibility of a person for such
10 disability benefits in making a determination of eligibility for
11 disability benefits as authorized by this subsection.

12 H. 1. A member who at the time of retirement has been found to
13 be permanently physically or mentally incapacitated to perform the
14 necessary duties to continue in the member's current position shall
15 receive a minimum monthly retirement payment for life or until such
16 time as the member may be found to be recovered to the point where
17 the member may return to teaching. Any member retired before July
18 1, 1992, shall be eligible to receive the monthly retirement benefit
19 herein provided, but such payment shall not begin until the first
20 payment due to the member after July 1, 1992, and shall not be
21 retroactive. The Board of Trustees is empowered to make such rules
22 and regulations as it considers proper to preserve equity in
23 retirements under this provision, which shall include a provision to
24 protect the rights of the member's spouse.

1 2. A member who has qualified for retirement benefits under
2 disability retirement shall have the total monthly payment deducted
3 from the member's accumulated contributions plus interest earned and
4 any money remaining in the member's account after the above
5 deductions at the death of the member shall be paid in a lump sum to
6 the beneficiary or to the estate of the member. Provided, if the
7 deceased disabled member had thirty (30) years or more of creditable
8 service and the death occurred after June 30, 1981, and death
9 occurred prior to the disabled member receiving twelve monthly
10 retirement payments, a surviving spouse may elect to receive the
11 retirement benefit to which the deceased member would have been
12 entitled at the time of death under the Option 2 Plan of Retirement
13 provided for in paragraph 2 of subsection K of this section in lieu
14 of the death benefit provided for in this paragraph and in
15 subsection Q of this section.

16 3. Once each year the System may require any disabled annuitant
17 who has not yet attained the age of sixty (60) years to undergo a
18 medical examination, such examination to be made at the place of
19 residence for the disabled annuitant or other place mutually agreed
20 upon by a physician or physicians designated by the System. Should
21 any disabled annuitant who has not yet attained the age of sixty
22 (60) years refuse to submit to at least one medical examination in
23 any such year by a physician or physicians designated by the System,
24

1 the member's benefits may be discontinued until the member submits
2 to such examination.

3 4. Should the Medical Board report and certify to the Board of
4 Trustees that such disabled annuitant is engaged in or is able to
5 engage in a gainful occupation paying more than the difference
6 between the member's average final compensation and the annual
7 benefit amount, and should the Board of Trustees concur in such
8 report, then the amount of the member's annual benefit shall be
9 reduced to an amount which, added to the member's earnings from a
10 gainful occupation, shall equal the amount of the member's average
11 final compensation. Should the member's earning capacity be later
12 increased, the amount of the member's annual benefit may be further
13 reduced.

14 5. Should a disabled annuitant be restored to active service,
15 the member's disability retirement benefit shall cease and the
16 member shall again become an active member of the Teachers'
17 Retirement System of Oklahoma and shall make regular contributions
18 as required under this article. The unused portion of the member's
19 accumulated contributions shall be reestablished to the member's
20 credit in the Teachers' Savings Fund. Any such prior service
21 certificates on the basis of which the member's service was computed
22 at the time of the member's retirement shall be restored to full
23 force and effect.

1 I. Should a member before retirement under Section 17-101 et
2 seq. of this title make application for withdrawal duly filed with
3 the System, not earlier than four (4) months after the date of
4 termination of employment with a participating employer within the
5 System, the contribution standing to the credit of the member's
6 individual account in the Teachers' Savings Fund shall be paid to
7 the member or, in the event of the member's death before retirement,
8 shall be paid to such person or persons as the member shall have
9 designated in a manner required by the Board of Trustees and filed
10 with the System; provided, however, if there is no designated
11 beneficiary surviving upon such death, such contributions shall be
12 paid to the member's administrators, executors, or assigns, together
13 with interest as hereinafter provided. Provided further, if there
14 is no designated beneficiary surviving upon such death, and the
15 contributions standing to the credit of such member do not exceed
16 Two Hundred Dollars (\$200.00), no part of such contributions shall
17 be subject to the payment of any expense of the last illness or
18 funeral of the deceased member or any expense of administration of
19 the estate of such deceased and the System, upon satisfactory proof
20 of the death of such member and of the name or names of the person
21 or persons who would be entitled to receive such contributions under
22 the laws of descent and distribution of the state, may authorize the
23 payment of accumulated contributions to such person or persons. A
24 member terminating membership by withdrawal after June 30, 2003,

1 shall have the interest computed at a rate of interest determined by
2 the Board of Trustees and paid to the member subject to the
3 following schedule:

4 1. If termination occurs within sixteen (16) years from the
5 date membership began, fifty percent (50%) of such interest
6 accumulations shall be paid;

7 2. With at least sixteen (16) but less than twenty-one (21)
8 years of membership, sixty percent (60%) of such interest
9 accumulations shall be paid;

10 3. With at least twenty-one (21) but less than twenty-six (26)
11 years of membership, seventy-five percent (75%) of such interest
12 accumulations shall be paid; and

13 4. With at least twenty-six (26) years of membership, ninety
14 percent (90%) of such interest accumulations shall be paid.

15 In case of death of an active member, the interest shall be
16 calculated and restored to the member's account and paid to the
17 member's beneficiary.

18 J. 1. In lieu of the Maximum Retirement Allowance payable
19 throughout life for such an amount as determined under this section,
20 the member may select a retirement allowance for a reduced amount
21 payable under any of the options listed in subsection K of this
22 section the present value of which is the actuarial equivalent
23 thereof.

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1 2. The first payment of any benefit selected shall be made on
2 the first day of the month following approval of the retirement by
3 the System. If the named joint annuitant under Option 2 or 3 dies
4 at any time after the member's retirement date, but before the death
5 of the member, the member shall return to the Maximum Plan of
6 Retirement, including any post-retirement benefit increases the
7 member would have received had the member not selected Option 2 or 3
8 pursuant to paragraph 2 or 3 of subsection K of this section. The
9 retirement allowance shall be determined at the date of death of the
10 joint annuitant. This increase shall become effective the first day
11 of the month following the date of death of the joint annuitant, and
12 shall be payable for the member's remaining lifetime. The member
13 shall notify the Teachers' Retirement System of Oklahoma of the
14 death of the joint annuitant by providing a copy of the joint
15 annuitant's death certificate. In the absence of the death
16 certificate being filed by the member notifying the Teachers'
17 Retirement System of Oklahoma of the death of the joint annuitant
18 within six (6) months of the date of death, nothing in this
19 subsection shall require the Teachers' Retirement System of Oklahoma
20 to pay more than six (6) months of retrospective benefits increase.

21 K. 1. Option 1. A member takes a slightly reduced retirement
22 allowance for life. If the member dies before receiving in annuity
23 payments the present value of the member's annuity as it was at the
24 time of retirement, the balance shall be paid to the member's

1 beneficiary by designation filed with the System prior to the
2 member's death.

3 2. Option 2. A member takes a reduced retirement allowance for
4 life. Upon the death of the member the payments shall continue to
5 the member's joint annuitant for the life of the joint annuitant.
6 The designation of the joint annuitant must be filed with the System
7 at the time of the member's retirement and, except as provided in
8 paragraph 2 of subsection J of this section, cannot be changed after
9 the effective date of the member's retirement.

10 3. Option 3. A member receives a reduced retirement allowance
11 for life. Upon the death of the member one-half (1/2) of the
12 retirement allowance paid the member shall be continued throughout
13 the life of the member's joint annuitant. A designation of a joint
14 annuitant must be filed with the System at the time of the member's
15 retirement and, except as provided in paragraph 2 of subsection J of
16 this section, cannot be changed after the effective date of the
17 member's retirement.

18 4. Option 4. Provided, the System may establish other
19 retirement options if certified by the actuary to be of equivalent
20 actuarial value to the member's retirement allowance. Other
21 retirement options shall be presented to the Board of Trustees for
22 approval at its discretion. Such other benefit or benefits shall be
23 paid either to the member or, if applicable, to such joint annuitant
24 as the member shall nominate.

1 L. Provided, the options listed in paragraphs 2 and 3 of
2 subsection K of this section shall not be available if the member's
3 expected benefit is less than fifty percent (50%) of the lump-sum
4 actuarial equivalent and the joint annuitant is not the spouse of
5 the member.

6 M. 1. A member who chose the Maximum Plan of Retirement at the
7 time of retirement may make a one-time election to choose either
8 Option 2 or 3 as prescribed in paragraph 2 or 3 of subsection K of
9 this section and name the member's spouse as joint annuitant if the
10 member marries after making the initial election. Such an election
11 shall be made within one (1) year of the date of marriage. The
12 member shall provide proof of a member's good health before the
13 System will permit a change to either Option 2 or 3 as prescribed in
14 paragraphs 2 and 3 of subsection K of this section and the naming of
15 a joint annuitant. A medical examination conducted by a licensed
16 physician is required for purposes of determining good health. Such
17 examination must be approved by the Medical Board. The member shall
18 be required to provide proof of age for the new joint annuitant.
19 The System shall adjust the retirement allowance to the actuarially
20 equivalent amount based on the new joint annuitant's age. The Board
21 of Trustees shall promulgate rules to implement the provisions of
22 this subsection.

23 2. A member who retires after July 1, 2010, and has selected a
24 retirement allowance for a reduced amount payable under one of the

1 options provided for in subsection K of this section may make a one-
2 time irrevocable election to select a different option within sixty
3 (60) days of the member's retirement date. The beneficiary or joint
4 annuitant designated by the member at the time of retirement shall
5 not be changed if the member makes the election provided for in this
6 paragraph.

7 3. Any individual who is eligible to be a beneficiary or joint
8 annuitant of a member under subsection J of this section, and who is
9 also a beneficiary of a trust created under the Oklahoma
10 Discretionary and Special Needs Trust Act, Section 175.81 et seq. of
11 Title 60 of the Oklahoma Statutes, or a comparable Trust Act created
12 under the laws of another state, hereinafter collectively referred
13 to as "Trust Acts", may be a beneficiary or joint annuitant under
14 subsection J of this section by having the trustee of the trust
15 established for the benefit of that individual named as the legal
16 beneficiary or joint annuitant under subsection J of this section.
17 The age of that beneficiary shall be used for calculating any
18 benefit payable to the trust under subsection J of this section.
19 The beneficiary of such a trust shall be treated as the beneficiary
20 or joint annuitant under subsection J of this section except that
21 payments of any benefits due under subsection J of this section
22 shall be payable to the lawfully appointed trustee of the trust.
23 The obligation of the System to pay the beneficiary or joint
24 annuitant under subsection J of this section shall be satisfied by

1 payment to the trustee whom the System, in good faith, believes to
2 be the lawfully appointed trustee. Any conflict between the
3 statutes creating and governing the Teachers' Retirement System of
4 Oklahoma in Section 17-101 et seq. of this title and the provisions
5 of any Trust Act referred to above shall be resolved in favor of the
6 statutes governing the System. If an eligible beneficiary or joint
7 annuitant is named at the time of retirement, and becomes a
8 beneficiary of a trust under one of the Trust Acts described herein
9 after that time, the System will acknowledge the trust as the
10 beneficiary upon the submission of adequate documentation of the
11 existence of the trust. All other provisions of subsection J of
12 this section shall apply to these subsequently created trusts.

13 4. The Board of Trustees of the System may recognize other
14 trusts set up for the benefit of individuals otherwise eligible to
15 be named as a beneficiary or joint annuitant under subsection J of
16 this section by administrative rule if it can be done without undue
17 additional administrative expense of the System.

18 N. The governing board of any public school, as that term is
19 defined in Section 17-101 of this title, is hereby authorized and
20 empowered to pay additional retirement allowances or compensation to
21 any person who was in the employ of such public school for not less
22 than seven (7) school years preceding the date of the member's
23 retirement. Payments so made shall be a proper charge against the
24 current appropriation or appropriations of any such public school

1 for salaries for the fiscal year in which such payments are made.
2 Such payments shall be made in regular monthly installments in such
3 amounts as the governing board of any such public school, in its
4 judgment, shall determine to be reasonable and appropriate in view
5 of the length and type of service rendered by any such person to
6 such public school by which such person was employed at the time of
7 retirement. All such additional payments shall be uniform, based
8 upon the length of service and the type of services performed, to
9 persons formerly employed by such public school who have retired or
10 been retired in accordance with the provisions of Section 17-101 et
11 seq. of this title.

12 The governing board of any such public school may adopt rules
13 and regulations of general application outlining the terms and
14 conditions under which such additional retirement benefits shall be
15 paid, and all decisions of such board shall be final.

16 O. In addition to the teachers' retirement herein provided,
17 teachers may voluntarily avail themselves of the federal Social
18 Security program upon a district basis.

19 P. Upon the death of an in-service member, the System shall pay
20 to the designated beneficiary of the member or, if there is no
21 designated beneficiary or if the designated beneficiary predeceases
22 the member, to the estate of the member, the sum of Eighteen
23 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the
24 deceased member had ten (10) years or more of creditable service,

1 the member's designated beneficiary may elect to receive the
2 retirement benefit to which the deceased member would have been
3 entitled at the time of death under the Option 2 plan of retirement
4 in lieu of the death benefit provided for in this subsection.
5 Provided further, the option provided in this subsection is only
6 available when the member has designated one individual as the
7 designated beneficiary. The beneficiary or beneficiaries of death
8 benefits in the amount not to exceed Eighteen Thousand Dollars
9 (\$18,000.00), but exclusive of any retirement benefit received by an
10 electing beneficiary based upon creditable service performed by the
11 deceased member, which are provided pursuant to this subsection, may
12 elect to disclaim such death benefits in which case such benefits
13 will be transferred to a person licensed as a funeral director or to
14 a lawfully recognized business entity licensed as required by law to
15 provide funeral services for the deceased member. The qualified
16 disclaimer must be in writing and will be an irrevocable and an
17 unqualified refusal to accept all or a portion of the death benefit.
18 It must be received by the transferor no more than nine (9) months
19 after the later of the day the transfer creating the interest in the
20 disclaiming person is made or the day the disclaiming person attains
21 age twenty-one (21). The interest in the death benefits must pass
22 without direction by the disclaiming person to another person.
23 After paying death benefits to any beneficiary or the member's
24 estate pursuant to this subsection, the System is discharged and

1 released from any and all liability, obligation, and costs. The
2 System is not required to inquire into the truth of any matter
3 specified in this subsection or into the payment of any estate tax
4 liability.

5 Q. Upon the death of a retired member who has contributed to
6 the System, the retirement system shall pay to the designated
7 beneficiary of the member or, if there is no designated beneficiary
8 or if the designated beneficiary predeceases the member, to the
9 estate of the member, the sum of ~~Five Thousand Dollars (\$5,000.00)~~
10 Ten Thousand Dollars (\$10,000.00) as a death benefit. The
11 beneficiary or beneficiaries of benefits provided pursuant to this
12 subsection may elect to disclaim such death benefits in which case
13 such benefits will be transferred to a person licensed as a funeral
14 director or to a lawfully recognized business entity licensed as
15 required by law to provide funeral services for the deceased member.
16 The qualified disclaimer must be in writing and will be an
17 irrevocable and an unqualified refusal to accept all or a portion of
18 the death benefit. It must be received by the transferor no more
19 than nine (9) months after the later of the day the transfer
20 creating the interest in the disclaiming person is made or the day
21 the disclaiming person attains age twenty-one (21). The interest in
22 the death benefits must pass without direction by the disclaiming
23 person to another person. The benefit payable pursuant to this
24 subsection shall be deemed, for purposes of federal income taxation,

1 as life insurance proceeds and not as a death benefit if the
2 Internal Revenue Service approves this provision pursuant to a
3 private letter ruling request which shall be submitted by the Board
4 of Trustees of the System for that purpose. After paying death
5 benefits to any beneficiary or the member's estate pursuant to this
6 subsection, the System is discharged and released from any and all
7 liability, obligation, and costs. The System is not required to
8 inquire into the truth of any matter specified in this subsection or
9 into the payment of any estate tax liability.

10 R. Upon the death of a member who dies leaving no living
11 beneficiary or having designated the member's estate as beneficiary,
12 or upon the death of any individual who may be entitled to a benefit
13 from the System, the System may pay any applicable death benefit,
14 unpaid contributions, or unpaid benefit which may be subject to
15 probate, in an amount of Twenty-five Thousand Dollars (\$25,000.00)
16 or less, without the intervention of the probate court or probate
17 procedure pursuant to Section 1 et seq. of Title 58 of the Oklahoma
18 Statutes.

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

23 a. the decedent's valid last will and testament, trust
24 documents or affidavit that a will does not exist,

1 b. an affidavit or affidavits of heirship which must
2 state:

3 (1) the names and signatures of all claiming heirs to
4 the decedent's estate including the claiming
5 heirs' names, relationship to the deceased,
6 current addresses, tax ID numbers if known and
7 current telephone numbers,

8 (2) a statement or statements by the claiming heirs
9 that no application or petition for the
10 appointment of a personal representative is
11 pending or has been granted in any jurisdiction,

12 (3) a description of the personal property claimed,
13 (i.e., death benefit or unpaid contributions or
14 both) together with a statement that such
15 personal property is subject to probate,

16 (4) a statement by each individual claiming heir
17 identifying the amount of personal property that
18 the heir is claiming from the System, and that
19 the heir has been notified of, is aware of and
20 consents to the identified claims of all the
21 other claiming heirs of the decedent pending with
22 the System, and

23 (5) a statement by each individual claiming heir
24 affirming that all debts of the decedent,

1 including payment of last sickness, hospital,
2 medical, death, funeral, and burial expenses have
3 been paid or provided for,

4 c. a written agreement or agreements signed by all
5 claiming heirs of the decedent which provide that the
6 claiming heirs release, discharge and hold harmless
7 the System from any and all liability, obligations and
8 costs which it may incur as a result of making a
9 payment to any of the decedent's heirs, and

10 d. a corroborating affidavit from an individual other
11 than a claiming heir, who was familiar with the
12 affairs of the decedent.

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

20 3. After paying any death benefits or unpaid contributions to
21 any claiming heirs as provided pursuant to this subsection, the
22 System is discharged and released from any and all liability,
23 obligation and costs to the same extent as if the System had dealt
24 with a personal representative of the decedent. The System is not

1 required to inquire into the truth of any matter specified in this
2 subsection or into the payment of any estate tax liability.

3 S. Upon the death of a retired member, the benefit payment for
4 the month in which the retired member died, if not previously paid,
5 shall be made to the joint annuitant if still living, to the
6 beneficiary of the member if the joint annuitant is deceased, or to
7 the member's estate if there is no surviving joint annuitant or
8 beneficiary. Such benefit payment shall be made in an amount equal
9 to a full monthly benefit payment regardless of the day of the month
10 in which the retired member died. Upon the death of a joint
11 annuitant receiving monthly benefit payments as prescribed herein,
12 the benefit payment for the month in which the joint annuitant died,
13 if not previously paid, shall be made to the joint annuitant's
14 estate in an amount equal to the full monthly benefit payment
15 regardless of the day of the month on which the joint annuitant
16 died.

17 T. The Board of Trustees may adopt such other rules and
18 regulations as are necessary to administer the benefits enumerated
19 herein.

20 SECTION 6. AMENDATORY 74 O.S. 2021, Section 916.1, is
21 amended to read as follows:

22 Section 916.1. A. Upon the death of a retired member, the
23 Oklahoma Public Employees Retirement System shall pay to the
24 beneficiary of the member or if there is no beneficiary or if the

1 beneficiary predeceases the member, to the estate of the member, the
2 sum of Four Thousand Dollars (\$4,000.00) as a death benefit for
3 those retired members who died prior to July 1, 1999. For those
4 retired members who died on or after ~~July 1, 1999~~ the effective date
5 of this act, the sum shall be ~~Five Thousand Dollars (\$5,000.00)~~ Ten
6 Thousand Dollars (\$10,000.00). The benefit payable pursuant to this
7 subsection shall be deemed, for purposes of federal income taxation,
8 as life insurance proceeds and not as a death benefit if the
9 Internal Revenue Service approves this provision pursuant to a
10 private letter ruling request which shall be submitted by the board
11 of trustees of the System for that purpose.

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

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

23 a. the member's valid last will and testament, trust
24 documents or affidavit that a will does not exist,

1 b. an affidavit or affidavits of heirship which must
2 state:

3 (1) the names and signatures of all claiming heirs to
4 the deceased member's estate including the
5 claiming heirs' names, relationship to the
6 deceased, current addresses and current telephone
7 numbers,

8 (2) a statement or statements by the claiming heirs
9 that no application or petition for the
10 appointment of a personal representative is
11 pending or has been granted in any jurisdiction,

12 (3) a description of the personal property claimed
13 (i.e., death benefit or unpaid contributions or
14 both), together with a statement that such
15 personal property is subject to probate, and

16 (4) a statement by each individual claiming heir
17 identifying the amount of personal property that
18 the heir is claiming from the System, and that
19 the heir has been notified of, is aware of and
20 consents to the identified claims of all the
21 other claiming heirs of the deceased member
22 pending with the System,

23 c. a written agreement or agreements signed by all
24 claiming heirs of the deceased member which provides

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

6 d. a corroborating affidavit from an individual other
7 than a claiming heir, who was familiar with the
8 affairs of the deceased member, and

9 e. proof that all debts of the deceased member, including
10 payment of last sickness, hospital, medical, death,
11 funeral and burial expenses have been paid or provided
12 for.

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

20 3. After paying any death benefits or unpaid contributions to
21 any claiming heirs as provided pursuant to this subsection, the
22 System is discharged and released from any and all liability,
23 obligation and costs to the same extent as if the System had dealt
24 with a personal representative of the deceased member. The System

1 is not required to inquire into the truth of any matter specified in
2 this subsection or into the payment of any estate tax liability.

3 C. Death benefits provided pursuant to this section may be
4 assigned by the beneficiary to a person licensed as a funeral
5 director or to a lawfully recognized business entity licensed as
6 required by law to provide funeral services for the deceased member.

7 SECTION 7. This act shall become effective November 1, 2025.

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9 60-1-10046 CMA 01/02/25

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

January 13, 2025

Representative Humphrey
Room 301S

Re: RBH No. 10046

RBH No. 10046 increases the death benefit for retired participants of all the State's retirement systems to \$10,000 from \$5,000.

RBH No. 10046 is a fiscal bill as defined by 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