

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

COMMITTEE SUBSTITUTE

FOR ENGROSSED

HOUSE BILL NO. 2269

By: West (Josh) of the House

and

Rosino of the Senate

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems; amending 11 O.S. 2011, Sections 49-106.2, as last amended by Section 4, Chapter 281, O.S.L. 2014 and 49-113.2, as amended by Section 5, Chapter 281, O.S.L. 2014 (11 O.S. Supp. 2018, Sections 49-106.2 and 49-113.2), which relate to the Oklahoma Firefighters Pension and Retirement System; modifying provisions related to computation of certain annuity values; providing for payment of benefits pursuant to statutory provisions; modifying provisions related to probate waiver for payment of death benefits; amending 11 O.S. 2011, Sections 50-111.3, 50-112 and 50-114, which relate to the Oklahoma Police Pension and Retirement System; adding persons and entities to whom certain payments may be made after death of participant or beneficiary; granting State Board access to certain records; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 2011, Section 49-106.2, as last amended by Section 4, Chapter 281, O.S.L. 2014 (11 O.S. Supp. 2018, Section 49-106.2), is amended to read as follows:

1       Section 49-106.2. A. For limitation years prior to July 1,  
2 2007, the limitations of Section 415 of the Internal Revenue Code of  
3 1986, as amended, shall be computed in accordance with the  
4 applicable provisions of the System in effect at that time and, to  
5 the extent applicable, Revenue Ruling 98-1 and Revenue Ruling 2001-  
6 51, except as provided below. Notwithstanding any other provision  
7 contained herein to the contrary, the benefits payable to a member  
8 from the System provided by employer contributions (including  
9 contributions picked up by the employer under Section 414(h) of the  
10 Internal Revenue Code of 1986, as amended) shall be subject to the  
11 limitations of Section 415 of the Internal Revenue Code of 1986, as  
12 amended, in accordance with the provisions of this section. The  
13 limitations of this section shall apply in limitation years  
14 beginning on or after July 1, 2007, except as otherwise provided  
15 below.

16       B. Except as provided below, effective for limitation years  
17 ending after December 31, 2001, any accrued retirement benefit  
18 payable to a member as an annual benefit as described below shall  
19 not exceed One Hundred Sixty Thousand Dollars (\$160,000.00),  
20 automatically adjusted under Section 415(d) of the Internal Revenue  
21 Code of 1986, as amended, for increases in the cost of living, as  
22 prescribed by the Secretary of the Treasury or his or her delegate,  
23 effective January 1 of each calendar year and applicable to the  
24 limitation year ending with or within such calendar year. The

1 automatic annual adjustment of the dollar limitation in this  
2 subsection under Section 415(d) of the Internal Revenue Code of  
3 1986, as amended, shall apply to a member who has had a severance  
4 from employment.

5 1. The member's annual benefit is a benefit that is payable  
6 annually in the form of a straight life annuity. Except as provided  
7 below, where a benefit is payable in a form other than a straight  
8 life annuity, the benefit shall be adjusted to an actuarially  
9 equivalent straight life annuity that begins at the same time as  
10 such other form of benefit and is payable on the first day of each  
11 month, before applying the limitations of this section. For a  
12 member who has or will have distributions commencing at more than  
13 one annuity starting date, the annual benefit shall be determined as  
14 of each such annuity starting date (and shall satisfy the  
15 limitations of this section as of each such date), actuarially  
16 adjusting for past and future distributions of benefits commencing  
17 at the other annuity starting dates. For this purpose, the  
18 determination of whether a new starting date has occurred shall be  
19 made without regard to Section 1.401(a)-20, Q&A 10(d), and with  
20 regard to Section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Income Tax  
21 Regulations.

22 2. No actuarial adjustment to the benefit shall be made for:

- 23 a. survivor benefits payable to a surviving spouse under  
24 a qualified joint and survivor annuity to the extent

1           such benefits would not be payable if the member's  
2           benefit were paid in another form,

3           b.   benefits that are not directly related to retirement  
4           benefits such as a qualified disability benefit,  
5           preretirement incidental death benefits, and  
6           postretirement medical benefits, or

7           c.   the inclusion in the form of benefit of an automatic  
8           benefit increase feature, provided, the form of  
9           benefit is not subject to Section 417(e)(3) of the  
10          Internal Revenue Code of 1986, as amended, and would  
11          otherwise satisfy the limitations of this section, and  
12          the System provides that the amount payable under the  
13          form of benefit in any limitation year shall not  
14          exceed the limits of this section applicable at the  
15          annuity starting date, as increased in subsequent  
16          years pursuant to Section 415(d) of the Internal  
17          Revenue Code of 1986, as amended. For this purpose,  
18          an automatic benefit increase feature is included in a  
19          form of benefit if the form of benefit provides for  
20          automatic, periodic increases to the benefits paid in  
21          that form.

22          3.   The determination of the annual benefit shall take into  
23          account Social Security supplements described in Section 411(a)(9)  
24          of the Internal Revenue Code of 1986, as amended, and benefits

1 transferred from another defined benefit plan, other than transfers  
2 of distributable benefits pursuant to Section 1.411(d)-4, Q&A-3(c),  
3 of the Income Tax Regulations, but shall disregard benefits  
4 attributable to employee contributions or rollover contributions.

5 4. Effective for distributions in plan years beginning after  
6 December 31, 2003, the determination of actuarial equivalence of  
7 forms of benefit other than a straight life annuity shall be made in  
8 accordance with paragraph 5 or paragraph 6 of this subsection.

9 5. Benefit Forms Not Subject to Section 417(e)(3) of the  
10 Internal Revenue Code of 1986, as amended: The straight life  
11 annuity that is actuarially equivalent to the member's form of  
12 benefit shall be determined under this paragraph if the form of the  
13 member's benefit is either:

14 a. a nondecreasing annuity (other than a straight life  
15 annuity) payable for a period of not less than the  
16 life of the member (or, in the case of a qualified  
17 preretirement survivor annuity, the life of the  
18 surviving spouse), or

19 b. an annuity that decreases during the life of the  
20 member merely because of:

21 (1) the death of the survivor annuitant, but only if  
22 the reduction is not below fifty percent (50%) of  
23 the benefit payable before the death of the  
24 survivor annuitant, or

1           (2) the cessation or reduction of Social Security  
2           supplements or qualified disability payments as  
3           defined in Section 411(a)(9) of the Internal  
4           Revenue Code of 1986, as amended.

5       c. Limitation Years Beginning Before July 1, 2007. For  
6       limitation years beginning before July 1, 2007, the  
7       actuarially equivalent straight life annuity is equal  
8       to the annual amount of the straight life annuity  
9       commencing at the same annuity starting date that has  
10      the same actuarial present value as the member's form  
11      of benefit computed using whichever of the following  
12      produces the greater annual amount:

13       (1) the interest rate and the mortality table or  
14       other tabular factor, each as set forth in  
15       subsection H of Section 49-100.9 of this title  
16       for adjusting benefits in the same form, and

17       (2) a five percent (5%) interest rate assumption and  
18       the applicable mortality table described in  
19       Revenue Ruling 2001-62 (or its successor for  
20       these purposes, if applicable) for that annuity  
21       starting date.

22      d. Limitation Year Beginning On January 1, 2008. For the  
23      limitation year beginning on January 1, 2008, the  
24

1 actuarially equivalent straight life annuity is equal  
2 to the greater of:

3 (1) the annual amount of the straight life annuity,  
4 if any, payable to the member under the System  
5 commencing at the same annuity starting date as  
6 the member's form of benefit, and

7 (2) the annual amount of the straight life annuity  
8 commencing at the same annuity starting date that  
9 has the same actuarial present value as the  
10 member's form of benefit, computed using a five  
11 percent (5%) interest rate assumption and the  
12 applicable mortality table described in Revenue  
13 Ruling 2001-62 (or its successor for these  
14 purposes, if applicable) for that annuity  
15 starting date.

16 e. Limitation Years Beginning On or After July 1, 2008.

17 For limitation years beginning on or after July 1,  
18 2008, the actuarially equivalent straight life annuity  
19 is equal to the greater of:

20 (1) the annual amount of the straight life annuity,  
21 if any, payable to the member under the System  
22 commencing at the same annuity starting date as  
23 the member's form of benefit, and  
24

1           (2) the annual amount of the straight life annuity  
2           commencing at the same annuity starting date that  
3           has the same actuarial present value as the  
4           member's form of benefit, computed using a five  
5           percent (5%) interest rate assumption and the  
6           applicable mortality table within the meaning of  
7           Section 417(e) (3) (B) of the Internal Revenue Code  
8           of 1986, as amended, as described in Revenue  
9           Ruling 2007-67 (and subsequent guidance) for that  
10          annuity starting date.

11          6. Benefit Forms Subject to Section 417 (e) (3) of the Internal  
12 Revenue Code of 1986, as amended: The straight life annuity that is  
13 actuarially equivalent to the member's form of benefit shall be  
14 determined under this paragraph if the form of the member's benefit  
15 is other than a benefit form described in paragraph 5 of this  
16 subsection. In this case, the actuarially equivalent straight life  
17 annuity shall be determined as follows:

18           a. Annuity Starting Date on or after January 1, 2009. If  
19           the annuity starting date of the member's form of  
20           benefit is in the period beginning on January 1, 2009  
21           through June 30, 2009, or in a plan year beginning  
22           after June 30, 2009, the actuarially equivalent  
23           straight life annuity is equal to the greatest of  
24           divisions (1), (2) and (3) of this subparagraph:

1 (1) the annual amount of the straight life annuity  
2 commencing at the same annuity starting date that  
3 has the same actuarial present value as the  
4 member's form of benefit, computed using the  
5 interest rate and the mortality table or other  
6 tabular factor as set forth in the most recent  
7 actuarial valuation referenced in subsection H of  
8 Section 49-100.9 of this title prior to September  
9 1, 2011, and effective September 1, 2011, in  
10 subsection L of this section for adjusting  
11 benefits in the same form,

12 (2) the annual amount of the straight life annuity  
13 commencing at the same annuity starting date that  
14 has the same actuarial present value as the  
15 member's form of benefit, computed using a five  
16 and one-half percent (5.5%) interest rate  
17 assumption and the applicable mortality table  
18 within the meaning of Section 417(e)(3)(B) of the  
19 Internal Revenue Code of 1986, as amended, as  
20 described in Revenue Ruling 2007-67 (and  
21 subsequent guidance), and

22 (3) the annual amount of the straight life annuity  
23 commencing at the same annuity starting date that  
24 has the same actuarial present value as the

member's form of benefit, ~~computing~~ computed  
using:

- (a) i. in a plan year beginning after June 30,  
2019, the applicable interest rate  
under Section 417(e)(3) of the Internal  
Revenue Code of 1986, as amended (and  
subsequent guidance), for the fourth  
calendar month preceding the plan year  
in which falls the annuity starting  
date for the distribution and the  
stability period is the successive  
period of one (1) plan year which  
contains the annuity starting date for  
the distribution and for which the  
applicable interest rate remains  
constant, and
- ii. in a plan year beginning before July 1,  
2019, the adjusted first, second, and  
third segment rates under Section  
417(e)(3)(C) and (D) of the Internal  
Revenue Code of 1986, as amended,  
applied under rules similar to the  
rules of Section 430(h)(2)(C) of the  
Internal Revenue Code of 1986, as

1 amended, for the fourth calendar month  
2 preceding the plan year in which falls  
3 the annuity starting date for the  
4 distribution and the stability period  
5 is the successive period of one plan  
6 year which contains the annuity  
7 starting date for the distribution and  
8 for which the applicable interest rate  
9 remains constant, or as otherwise  
10 provided in the applicable guidance if  
11 the first day of the first plan year  
12 beginning after December 31, 2007, does  
13 not coincide with the first day of the  
14 applicable stability period, and

15 (b) the applicable mortality table within the  
16 meaning of Section 417(e)(3)(B) of the  
17 Internal Revenue Code of 1986, as amended,  
18 as described in Rev. Rul. 2007-67 (and  
19 subsequent guidance),

20 divided by one and five one-hundredths (1.05).

21 b. Annuity Starting Date in the Period Beginning on July  
22 1, 2008 through December 31, 2008. If the annuity  
23 starting date of the member's form of benefit is in  
24 the period beginning on July 1, 2008 through December

1 31, 2008, the actuarially equivalent straight life  
2 annuity is equal to the greatest of divisions (1), (2)  
3 and (3) of this subparagraph:

4 (1) the annual amount of the straight life annuity  
5 commencing at the same annuity starting date that  
6 has the same actuarial present value as the  
7 member's form of benefit, computed using the  
8 interest rate and the mortality table or other  
9 tabular factor each as set forth in subsection H  
10 of Section 49-100.9 of this title for adjusting  
11 benefits in the same form,

12 (2) the annual amount of the straight life annuity  
13 commencing at the same annuity starting date that  
14 has the same actuarial present value as the  
15 member's form of benefit, computed using a five  
16 and one-half percent (5.5%) interest rate  
17 assumption and the applicable mortality table  
18 described in Revenue Ruling 2001-62 (or its  
19 successor for these purposes, if applicable), and

20 (3) the annual amount of the straight life annuity  
21 commencing at the same annuity starting date that  
22 has the same actuarial present value as the  
23 member's form of benefit, computed using:  
24

1 (a) the adjusted first, second, and third  
2 segment rates under Section 417(e)(3)(C) and  
3 (D) of the Internal Revenue Code of 1986, as  
4 amended, applied under rules similar to the  
5 rules of Section 430(h)(2)(C) of the  
6 Internal Revenue Code of 1986, as amended,  
7 for the fourth calendar month preceding the  
8 plan year in which falls the annuity  
9 starting date for the distribution and the  
10 stability period is the successive period of  
11 one (1) plan year which contains the annuity  
12 starting date for the distribution and for  
13 which the applicable interest rate remains  
14 constant, or as otherwise provided in the  
15 applicable guidance if the first day of the  
16 first plan year beginning after December 31,  
17 2007, does not coincide with the first day  
18 of the applicable stability period, and

19 (b) the applicable mortality table described in  
20 Revenue Ruling 2001-62 (or its successor for  
21 these purposes, if applicable),

22 divided by one and five one-hundredths (1.05).

23 c. Annuity Starting Date in Plan Years Beginning in 2006  
24 or 2007. If the annuity starting date of the member's

1 form of benefit is in a plan year beginning in 2006 or  
2 2007, the actuarially equivalent straight life annuity  
3 is equal to the greatest of divisions (1), (2) and (3)  
4 of this subparagraph:

5 (1) the annual amount of the straight life annuity  
6 commencing at the same annuity starting date that  
7 has the same actuarial present value as the  
8 member's form of benefit, computed using the  
9 interest rate and the mortality table (or other  
10 tabular factor) each as set forth in subsection H  
11 of Section 49-100.9 of this title for adjusting  
12 benefits in the same form,

13 (2) the annual amount of the straight life annuity  
14 commencing at the same annuity starting date that  
15 has the same actuarial present value as the  
16 member's form of benefit, computed using a five  
17 and one-half percent (5.5%) interest rate  
18 assumption and the applicable mortality table  
19 described in Revenue Ruling 2001-62 (or its  
20 successor for these purposes, if applicable), and

21 (3) the annual amount of the straight life annuity  
22 commencing at the same annuity starting date that  
23 has the same actuarial present value as the  
24 member's form of benefit, computed using:

1 (a) the rate of interest on thirty-year Treasury  
2 securities as specified by the Commissioner  
3 for the lookback month for the stability  
4 period specified below. The lookback month  
5 applicable to the stability period is the  
6 fourth calendar month preceding the first  
7 day of the stability period, as specified  
8 below. The stability period is the  
9 successive period of one (1) plan year which  
10 contains the annuity starting date for the  
11 distribution and for which the applicable  
12 interest rate remains constant, and  
13 (b) the applicable mortality table described in  
14 Revenue Ruling 2001-62 (or its successor for  
15 these purposes, if applicable),  
16 divided by one and five one-hundredths (1.05).

17 d. Annuity Starting Date in Plan Years Beginning in 2004  
18 or 2005.

19 (1) If the annuity starting date of the member's form  
20 of benefit is in a plan year beginning in 2004 or  
21 2005, the actuarially equivalent straight life  
22 annuity is equal to the annual amount of the  
23 straight life annuity commencing at the same  
24 annuity starting date that has the same actuarial

1 present value as the member's form of benefit,  
2 computed using whichever of the following  
3 produces the greater annual amount:

4 (a) the interest rate and the mortality table or  
5 other tabular factor, each as set forth in  
6 subsection H of Section 49-100.9 of this  
7 title for adjusting benefits in the same  
8 form, and

9 (b) a five and one-half percent (5.5%) interest  
10 rate assumption and the applicable mortality  
11 table described in Revenue Ruling 2001-62  
12 (or its successor for these purposes, if  
13 applicable).

14 (2) If the annuity starting date of the member's  
15 benefit is on or after the first day of the first  
16 plan year beginning in 2004 and before December  
17 31, 2004, the application of this subparagraph  
18 shall not cause the amount payable under the  
19 member's form of benefit to be less than the  
20 benefit calculated under the System, taking into  
21 account the limitations of this section, except  
22 that the actuarially equivalent straight life  
23 annuity is equal to the annual amount of the  
24 straight life annuity commencing at the same

1 annuity starting date that has the same actuarial  
2 present value as the member's form of benefit,  
3 computed using whichever of the following  
4 produces the greatest annual amount:

5 (a) the interest rate and mortality table or  
6 other tabular factor, each as set forth in  
7 subsection H of Section 49-100.9 of this  
8 title for adjusting benefits in the same  
9 form,

10 (b) i. the rate of interest on thirty-year  
11 Treasury securities as specified by the  
12 Commissioner for the lookback month for  
13 the stability period specified below.  
14 The lookback month applicable to the  
15 stability period is the fourth calendar  
16 month preceding the first day of the  
17 stability period, as specified below.  
18 The stability period is the successive  
19 period of one (1) plan year which  
20 contains the annuity starting date for  
21 the distribution and for which the  
22 applicable interest rate remains  
23 constant, and  
24

1                   ii.    the applicable mortality table  
2                           described in Revenue Ruling 2001-62 (or  
3                           its successor for these purposes, if  
4                           applicable), and

5           (c)   i.    the rate of interest on thirty-year  
6                   Treasury securities as specified by the  
7                   Commissioner for the lookback month for  
8                   the stability period specified below.  
9                   The lookback month applicable to the  
10                  stability period is the fourth calendar  
11                  month preceding the first day of the  
12                  stability period, as specified below.  
13                  The stability period is the successive  
14                  period of one plan year which contains  
15                  the annuity starting date for the  
16                  distribution and for which the  
17                  applicable interest rate remains  
18                  constant (as in effect on the last day  
19                  of the last plan year beginning before  
20                  January 1, 2004, under provisions of  
21                  the System then adopted and in effect),  
22                  and

23                  ii.   the applicable mortality table  
24                           described in Revenue Ruling 2001-62 (or

1                   its successor for these purposes, if  
2                   applicable).

3       C. If a member has less than ten (10) years of participation in  
4 the System and all predecessor municipal firefighter pension and  
5 retirement systems, the dollar limitation otherwise applicable under  
6 subsection B of this section shall be multiplied by a fraction, the  
7 numerator of which is the number of the years of participation, or  
8 part thereof, in the System of the member, but never less than one  
9 (1), and the denominator of which is ten (10).

10       D. Adjustment of Dollar Limitation for Benefit Commencement  
11 Before Sixty-two (62) Years of Age or After Sixty-five (65) Years of  
12 Age: Effective for benefits commencing in limitation years ending  
13 after December 31, 2001, the dollar limitation under subsection B of  
14 this section shall be adjusted if the annuity starting date of the  
15 member's benefit is before sixty-two (62) years of age or after  
16 sixty-five (65) years of age. If the annuity starting date is  
17 before sixty-two (62) years of age, the dollar limitation under  
18 subsection B of this section shall be adjusted under paragraph 1 of  
19 this subsection, as modified by paragraph 3 of this subsection, but  
20 subject to paragraph 4 of this subsection. If the annuity starting  
21 date is after sixty-five (65) years of age, the dollar limitation  
22 under subsection B of this section shall be adjusted under paragraph  
23 2 of this subsection, as modified by paragraph 3 of this subsection.

1        1. Adjustment of Defined Benefit Dollar Limitation for Benefit  
2 Commencement Before Sixty-two (62) Years of Age:

3            a. Limitation Years Beginning Before July 1, 2007. If  
4 the annuity starting date for the member's benefit is  
5 prior to sixty-two (62) years of age and occurs in a  
6 limitation year beginning before July 1, 2007, the  
7 dollar limitation for the member's annuity starting  
8 date is the annual amount of a benefit payable in the  
9 form of a straight life annuity commencing at the  
10 member's annuity starting date that is the actuarial  
11 equivalent of the dollar limitation under subsection B  
12 of this section (adjusted under subsection C of this  
13 section for years of participation less than ten (10),  
14 if required) with actuarial equivalence computed using  
15 whichever of the following produces the smaller annual  
16 amount:

17            (1) the interest rate and the mortality table or  
18 other tabular factor, each as set forth in  
19 subsection H of Section 49-100.9 of this title,  
20 or

21            (2) a five percent (5%) interest rate assumption and  
22 the applicable mortality table as described in  
23 Revenue Ruling 2001-62 (or its successor for  
24 these purposes, if applicable).

1           b.    Limitation Years Beginning On or After July 1, 2007.

2               (1)   System Does Not Have Immediately Commencing  
3               Straight Life Annuity Payable at Both Sixty-two  
4               (62) Years of Age and the Age of Benefit  
5               Commencement.

6               (a)   If the annuity starting date for the  
7               member's benefit is prior to sixty-two (62)  
8               years of age and occurs in the limitation  
9               year beginning on January 1, 2008, and the  
10              System does not have an immediately  
11              commencing straight life annuity payable at  
12              both sixty-two (62) years of age and the age  
13              of benefit commencement, the dollar  
14              limitation for the member's annuity starting  
15              date is the annual amount of a benefit  
16              payable in the form of a straight life  
17              annuity commencing at the member's annuity  
18              starting date that is the actuarial  
19              equivalent of the dollar limitation under  
20              subsection B of this section (adjusted under  
21              subsection C of this section for years of  
22              participation less than ten (10), if  
23              required) with actuarial equivalence  
24              computed using a five percent (5%) interest

1 rate assumption and the applicable mortality  
2 table for the annuity starting date as  
3 described in Revenue Ruling 2001-62 (or its  
4 successor for these purposes, if applicable)  
5 (and expressing the member's age based on  
6 completed calendar months as of the annuity  
7 starting date).

8 (b) If the annuity starting date for the  
9 member's benefit is prior to sixty-two (62)  
10 years of age and occurs in a limitation year  
11 beginning on or after January 1, 2009, and  
12 the System does not have an immediately  
13 commencing straight life annuity payable at  
14 both sixty-two (62) years of age and the age  
15 of benefit commencement, the dollar  
16 limitation for the member's annuity starting  
17 date is the annual amount of a benefit  
18 payable in the form of a straight life  
19 annuity commencing at the member's annuity  
20 starting date that is the actuarial  
21 equivalent of the dollar limitation under  
22 subsection B of this section (adjusted under  
23 subsection C of this section for years of  
24 participation less than ten (10), if

required) with actuarial equivalence  
computed using a five percent (5%) interest  
rate assumption and the applicable mortality  
table within the meaning of Section  
417(e) (3) (B) of the Internal Revenue Code of  
1986, as amended, as described in Revenue  
Ruling 2007-67 (and subsequent guidance)  
(and expressing the member's age based on  
completed calendar months as of the annuity  
starting date).

- (2) System Has Immediately Commencing Straight Life  
Annuity Payable at Both Sixty-two (62) Years of  
Age and the Age of Benefit Commencement. If the  
annuity starting date for the member's benefit is  
prior to sixty-two (62) years of age and occurs  
in a limitation year beginning on or after July  
1, 2007, and the System has an immediately  
commencing straight life annuity payable at both  
sixty-two (62) years of age and the age of  
benefit commencement, the dollar limitation for  
the member's annuity starting date is the lesser  
of the limitation determined under division (1)  
of this subparagraph and the dollar limitation  
under subsection B of this section (adjusted

1 under subsection C of this section for years of  
2 participation less than ten (10), if required)  
3 multiplied by the ratio of the annual amount of  
4 the immediately commencing straight life annuity  
5 under the System at the member's annuity starting  
6 date to the annual amount of the immediately  
7 commencing straight life annuity under the System  
8 at sixty-two (62) years of age, both determined  
9 without applying the limitations of this section.

10 (3) Effective for limitation years commencing on or  
11 after January 1, 2014, notwithstanding any other  
12 provision of paragraph 1 of this subsection, the  
13 age-adjusted dollar limit applicable to a member  
14 shall not decrease on account of an increase in  
15 age or the performance of additional services.

16 2. Adjustment of Defined Benefit Dollar Limitation for Benefit  
17 Commencement After Sixty-five (65) Years of Age:

18 a. Limitation Years Beginning Before July 1, 2007. If  
19 the annuity starting date for the member's benefit is  
20 after sixty-five (65) years of age and occurs in a  
21 limitation year beginning before July 1, 2007, the  
22 dollar limitation for the member's annuity starting  
23 date is the annual amount of a benefit payable in the  
24 form of a straight life annuity commencing at the

1 member's annuity starting date that is the actuarial  
2 equivalent of the dollar limitation under subsection B  
3 of this section (adjusted under subsection C of this  
4 section for years of participation less than ten (10),  
5 if required) with actuarial equivalence computed using  
6 whichever of the following produces the smaller annual  
7 amount:

- 8 (1) the interest rate and the mortality table or  
9 other tabular factor, each as set forth in  
10 subsection H of Section 49-100.9 of this title,  
11 or  
12 (2) a five percent (5%) interest rate assumption and  
13 the applicable mortality table as described in  
14 Revenue Ruling 2001-62 (or its successor for  
15 these purposes, if applicable).

16 b. Limitation Years Beginning On or After July 1, 2007.

- 17 (1) System Does Not Have Immediately Commencing  
18 Straight Life Annuity Payable at Both Sixty-five  
19 (65) Years of Age and the Age of Benefit  
20 Commencement.

- 21 (a) If the annuity starting date for the  
22 member's benefit is after sixty-five (65)  
23 years of age and occurs in the limitation  
24 year beginning on January 1, 2008, and the

System does not have an immediately commencing straight life annuity payable at both sixty-five (65) years of age and the age of benefit commencement, the dollar limitation at the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for the annuity starting date as described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable) (and expressing the member's age based on completed calendar months as of the annuity starting date).

- (b) If the annuity starting date for the member's benefit is after sixty-five (65)

1 years of age and occurs in a limitation year  
2 beginning on or after January 1, 2009, and  
3 the System does not have an immediately  
4 commencing straight life annuity payable at  
5 both sixty-five (65) years of age and the  
6 age of benefit commencement, the dollar  
7 limitation at the member's annuity starting  
8 date is the annual amount of a benefit  
9 payable in the form of a straight life  
10 annuity commencing at the member's annuity  
11 starting date that is the actuarial  
12 equivalent of the dollar limitation under  
13 subsection B of this section (adjusted under  
14 subsection C of this section for years of  
15 participation less than ten (10), if  
16 required) with actuarial equivalence  
17 computed using a five percent (5%) interest  
18 rate assumption and the applicable mortality  
19 table within the meaning of Section  
20 417(e) (3) (B) of the Internal Revenue Code of  
21 1986, as amended, as described in Revenue  
22 Ruling 2007-67 (and subsequent guidance)  
23 (and expressing the member's age based on  
24

completed calendar months as of the annuity starting date).

- (2) System Has Immediately Commencing Straight Life Annuity Payable at Both Sixty-five (65) Years of Age and Age of Benefit Commencement. If the annuity starting date for the member's benefit is after sixty-five (65) years of age and occurs in a limitation year beginning on or after July 1, 2007, and the System has an immediately commencing straight life annuity payable at both sixty-five (65) years of age and the age of benefit commencement, the dollar limitation at the member's annuity starting date is the lesser of the limitation determined under division (1) of this subparagraph and the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the System at the member's annuity starting date to the annual amount of the adjusted immediately commencing straight life annuity under the System at sixty-five (65) years

1 of age, both determined without applying the  
2 limitations of this section. For this purpose,  
3 the adjusted immediately commencing straight life  
4 annuity under the System at the member's annuity  
5 starting date is the annual amount of such  
6 annuity payable to the member, computed  
7 disregarding the member's accruals after sixty-  
8 five (65) years of age but including actuarial  
9 adjustments even if those actuarial adjustments  
10 are used to offset accruals; and the adjusted  
11 immediately commencing straight life annuity  
12 under the System at sixty-five (65) years of age  
13 is the annual amount of such annuity that would  
14 be payable under the System to a hypothetical  
15 member who is sixty-five (65) years of age and  
16 has the same accrued benefit as the member.

17 3. Notwithstanding the other requirements of this subsection,  
18 in adjusting the dollar limitation for the member's annuity starting  
19 date under subparagraph a of paragraph 1 of this subsection,  
20 division (1) of subparagraph b of paragraph 1 of this subsection,  
21 subparagraph a of paragraph 2 of this subsection, or division (1) of  
22 subparagraph b of paragraph 2 of this subsection, no adjustment  
23 shall be made to reflect the probability of a member's death between  
24 the annuity starting date and sixty-two (62) years of age, or

1 between sixty-five (65) years of age and the annuity starting date,  
2 as applicable, if benefits are not forfeited upon the death of the  
3 member prior to the annuity starting date. To the extent benefits  
4 are forfeited upon death before the annuity starting date, such an  
5 adjustment shall be made. For this purpose, no forfeiture shall be  
6 treated as occurring upon the member's death if the System does not  
7 charge members for providing a qualified preretirement survivor  
8 annuity, as defined in Section 417(c) of the Internal Revenue Code  
9 of 1986, as amended, upon the member's death.

10 4. Notwithstanding any other provision to the contrary, for  
11 limitation years beginning on or after January 1, 1997, if payment  
12 begins before the member reaches sixty-two (62) years of age, the  
13 reductions in the limitations in this subsection shall not apply to  
14 a member who is a "qualified participant" as defined in Section  
15 415(b) (2) (H) of the Internal Revenue Code of 1986, as amended.

16 E. Minimum Benefit Permitted: Notwithstanding anything else in  
17 this section to the contrary, the benefit otherwise accrued or  
18 payable to a member under this System shall be deemed not to exceed  
19 the maximum permissible benefit if:

20 1. The retirement benefits payable for a limitation year under  
21 any form of benefit with respect to such member under this System  
22 and under all other defined benefit plans (without regard to whether  
23 a plan has been terminated) ever maintained by a participating  
24

1 municipality do not exceed Ten Thousand Dollars (\$10,000.00)

2 multiplied by a fraction:

3           a.     the numerator of which is the member's number of  
4                   credited years (or part thereof, but not less than one  
5                   (1) year) of service (not to exceed ten (10) years)  
6                   with the participating municipality, and

7           b.     the denominator of which is ten (10); and

8        2.   The participating municipality (or a predecessor employer)  
9   has not at any time maintained a defined contribution plan in which  
10   the member participated (for this purpose, mandatory employee  
11   contributions under a defined benefit plan, individual medical  
12   accounts under Section 401(h) of the Internal Revenue Code of 1986,  
13   as amended, and accounts for postretirement medical benefits  
14   established under Section 419A(d)(1) of the Internal Revenue Code of  
15   1986, as amended, are not considered a separate defined contribution  
16   plan).

17       F.   In no event shall the maximum annual accrued retirement  
18   benefit of a member allowable under this section be less than the  
19   annual amount of such accrued retirement benefit, including early  
20   pension and qualified joint and survivor annuity amounts, duly  
21   accrued by the member as of the last day of the limitation year  
22   beginning in 1982, or as of the last day of the limitation year  
23   beginning in 1986, whichever is greater, disregarding any plan  
24   changes or cost-of-living adjustments occurring after July 1, 1982,

1 as to the 1982 accrued amount, and May 5, 1986, as to the 1986  
2 accrued amount.

3 G. For limitation years beginning on or after January 1, 1995,  
4 subsection C of this section, paragraph 1 of subsection D of this  
5 section, and the proration provided under subparagraphs a and b of  
6 paragraph 1 of subsection E of this section, shall not apply to a  
7 benefit paid under the System as a result of the member becoming  
8 disabled by reason of personal injuries or sickness, or amounts  
9 received by the beneficiaries, survivors or estate of the member as  
10 a result of the death of the member.

11 H. If a member purchases service credit under the System, which  
12 qualifies as "permissive service credit" pursuant to Section 415(n)  
13 of the Internal Revenue Code of 1986, as amended, the limitations of  
14 Section 415 of the Internal Revenue Code of 1986, as amended, may be  
15 met by either:

16 1. Treating the accrued benefit derived from such contributions  
17 as an annual benefit under subsection B of this section; or

18 2. Treating all such contributions as annual additions for  
19 purposes of Section 415(c) of the Internal Revenue Code of 1986, as  
20 amended.

21 I. If a member repays to the System any amounts refunded from  
22 the System because of the member's prior termination or any other  
23 amount which qualifies as a repayment under Section 415(k)(3) of the  
24 Internal Revenue Code of 1986, such repayment shall not be taken

1 into account for purposes of Section 415 of the Internal Revenue  
2 Code of 1986, as amended, pursuant to Section 415(k) (3) of the  
3 Internal Revenue Code of 1986, as amended.

4 J. For distributions made in limitation years beginning on or  
5 after January 1, 2000, the combined limit of repealed Section 415(e)  
6 of the Internal Revenue Code of 1986, as amended, shall not apply.

7 K. The State Board is hereby authorized to revoke the special  
8 election previously made on June 21, 1991, under Section 415(b) (10)  
9 of the Internal Revenue Code of 1986, as amended.

10 L. Effective September 1, 2011, the interest rate and mortality  
11 assumptions for the System used to determine the actuarial  
12 equivalence of a member's form of benefit shall be set by the State  
13 Board in a manner that precludes employer discretion, shall be based  
14 upon recommendations from independent professional advisors and  
15 shall be published annually in the actuarial valuation.

16 M. All benefits payable from the Oklahoma Firefighters Pension  
17 and Retirement System including payments from the deferred option  
18 plan under Section 49-106.1 of this title shall be paid from the  
19 general assets of the Oklahoma Firefighters Pension and Retirement  
20 Fund pursuant to subsection B of Section 49-100.11 of this title.

21 SECTION 2. AMENDATORY 11 O.S. 2011, Section 49-113.2, as  
22 amended by Section 5, Chapter 281, O.S.L. 2014 (11 O.S. Supp. 2018,  
23 Section 49-113.2), is amended to read as follows:  
24

1       Section 49-113.2. A. Upon the death of an active or retired  
2 member, the System shall pay to the surviving spouse of the member  
3 if the surviving spouse has been married to the firefighter for  
4 thirty (30) continuous months preceding the member's death provided  
5 a surviving spouse of a member who died while in, or as a  
6 consequence of, the performance of the member's duty for a  
7 participating municipality shall not be subject to the marriage  
8 limitation for survivor benefits, or if there is no surviving spouse  
9 or no surviving spouse meeting the requirements of this section, the  
10 System shall pay to the designated recipient or recipients of the  
11 member, or if there is no designated recipient or if the designated  
12 recipient predeceases the member, to the estate of the member, the  
13 sum of Four Thousand Dollars (\$4,000.00) for those active or retired  
14 members who died prior to July 1, 1999. For those active or retired  
15 members who die on or after July 1, 1999, the sum shall be Five  
16 Thousand Dollars (\$5,000.00).

17       B. Upon the death of a member who dies leaving no living  
18 designated recipient or having designated the member's estate as  
19 recipient, the System may pay any applicable death benefit which may  
20 be subject to probate, in an amount of Five Thousand Dollars  
21 (\$5,000.00), to the heir or heirs of the member without the  
22 intervention of a probate court or probate procedures.

23       C. Before any applicable probate procedure may be waived, the  
24 System must be in receipt of the member's proof of death and the

1 following documents from those persons claiming to be the legal  
2 heirs of the deceased member:

3 1. The member's last will and testament if available;

4 2. An affidavit or affidavits of heirship which must contain:

5 a. the names and signatures of all claiming heirs to the  
6 deceased member's estate including the claiming heirs'  
7 names, relationship to the deceased member, current  
8 addresses and current telephone numbers,

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

13 c. a statement that the value of the deceased member's  
14 entire probate estate, less liens and encumbrances,  
15 does not exceed ~~Ten Thousand Dollars (\$10,000.00)~~ the  
16 dollar limit pursuant to Section 393 of Title 58 of the  
17 Oklahoma Statutes, including the payment of benefits  
18 from the System, and

19 d. a statement by each individual claiming heir  
20 identifying the amount of personal property that the  
21 heir is claiming from the System or the amount the heir  
22 agrees to be paid to another person, and that the heir  
23 has been notified of, is aware of and consents to the  
24

1 identified claims of all the other claiming heirs of  
2 the deceased member pending with the System;

3 3. A written agreement or agreements signed by all claiming  
4 heirs of the deceased member which provides that the claiming heirs  
5 release, discharge and hold harmless the System from any and all  
6 liability, obligations and costs which it may incur as a result of  
7 making a payment to any of the deceased member's heirs;

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

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

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

20 E. After paying any death benefits to any claiming heirs as  
21 provided pursuant to this section, the System is discharged and  
22 released from any and all liability, obligation and costs to the  
23 same extent as if the System had paid a personal representative  
24 holding valid letters testamentary issued by a court of competent

1 jurisdiction. The System is not required to inquire into the truth  
2 of any matter specified in this section or into the payment of any  
3 estate tax liability.

4 F. The provisions of this section shall not be subject to  
5 qualified domestic orders as provided in subsection B of Section 49-  
6 126 of this title.

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

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

- 17 a. such refusal is in writing,
- 18 b. such writing is received by the System not later than  
19 the date which is nine (9) months after the date of  
20 death of the deceased member,
- 21 c. such person has not accepted the death benefit  
22 provided for in subsection A of this section, and
- 23 d. as a result of such refusal, the death benefit  
24 provided for in subsection A of this section passes

1 without any direction on the part of the person making  
2 the disclaimer and passes first, to the organization  
3 providing funeral and burial services for the deceased  
4 member or, if the cost of the funeral and burial  
5 services for the deceased member has already been  
6 paid, to the person or persons other than the person  
7 making the disclaimer as further provided for in this  
8 section.

9 SECTION 3. AMENDATORY 11 O.S. 2011, Section 50-111.3, is  
10 amended to read as follows:

11 Section 50-111.3. A. In lieu of terminating employment and  
12 accepting a service retirement pension pursuant to Section 50-114 of  
13 this title, any member of the Oklahoma Police Pension and Retirement  
14 System who has not less than twenty (20) years of creditable service  
15 and who is eligible to receive a service retirement pension may make  
16 an irrevocable election to participate in the Oklahoma Police  
17 Deferred Option Plan and defer the receipts of benefits in  
18 accordance with the provisions of this section.

19 B. For purposes of this section, creditable service shall  
20 include service credit reciprocally recognized pursuant to Section  
21 50-101 et seq. of this title but for eligibility purposes only.

22 C. The duration of participation in the Oklahoma Police  
23 Deferred Option Plan for a member shall not exceed five (5) years.  
24 Participation in the Oklahoma Police Deferred Option Plan must begin

1 the first day of a month and end on the last day of a month. At the  
2 conclusion of a member's participation in the Oklahoma Police  
3 Deferred Option Plan, the member shall terminate employment with all  
4 participating municipalities as an officer, and shall start  
5 receiving the member's accrued monthly retirement benefit from the  
6 System. Such a member may receive in-service distributions of such  
7 member's accrued monthly retirement benefit from the System if such  
8 member is reemployed by a participating municipality only if such  
9 reemployment is as a police chief or in a position not covered under  
10 the System.

11 D. When a member begins participation in the Oklahoma Police  
12 Deferred Option Plan, the contribution of the employee shall cease.  
13 The employer contributions shall continue to be paid in accordance  
14 with Section 50-109 of this title. Municipal contributions for  
15 employees who elect the Oklahoma Police Deferred Option Plan shall  
16 be credited equally to the Oklahoma Police Pension and Retirement  
17 System and to the Oklahoma Police Deferred Option Plan. The monthly  
18 retirement benefits that would have been payable had the member  
19 elected to cease employment and receive a service retirement shall  
20 be paid into the Oklahoma Police Deferred Option Plan account.

21 E. 1. A member who participates in this plan shall be eligible  
22 to receive cost of living increases.

23 2. A member who participates in this plan shall earn interest  
24 at a rate of two percentage points below the rate of return of the

1 investment portfolio of the System, but no less than the actuarial  
2 assumed interest rate as certified by the actuary in the yearly  
3 evaluation report of the actuary. The interest shall be credited to  
4 the individual account balance of the member on an annual basis.

5 F. A participant in the Oklahoma Police Deferred Option Plan  
6 shall receive, at the option of the participant:

7 1. A lump sum payment from the account equal to the option  
8 account balance of the participant, payable to the participant;

9 2. A lump sum payment from the account equal to the option  
10 account balance of the participant, payable to the annuity provider  
11 which shall be selected by the participant as a result of the  
12 research and investigation of the participant; or

13 3. Any other method of payment if approved by the State Board.

14 Notwithstanding any other provision contained herein to the  
15 contrary, commencement of distributions under the Oklahoma Police  
16 Deferred Option Plan shall be no later than the time as set forth in  
17 subsection C of Section 50-114 of this title.

18 G. If the participant dies during the period of participation  
19 in the Oklahoma Police Deferred Option Plan, a lump sum payment  
20 equal to the account balance of the participant shall be paid ~~in~~  
21 ~~accordance with Section 50-115.2 of this title~~ to the recipients  
22 designated in writing by the participant, or if none, to the  
23 surviving spouse who was married to the participant for the thirty  
24 (30) continuous months immediately preceding the death of the

1 participant, provided a surviving spouse of a participant who died  
2 in, and as a consequence of, the performance of the participant's  
3 duty for a participating municipality, shall not be subject to the  
4 thirty (30) month marriage requirement for survivor benefits, or if  
5 no surviving spouse, to the estate of the participant.

6 H. In lieu of participating in the Oklahoma Police Deferred  
7 Option Plan pursuant to subsections A, B, C, D, E and F of this  
8 section, a member may make an irrevocable election to participate in  
9 the Oklahoma Police Deferred Option Plan pursuant to this subsection  
10 as follows:

11 1. For purposes of this subsection, the following definitions  
12 shall apply:

13 a. "back drop date" means the date selected by the  
14 member, which is up to five (5) years before the  
15 member elects to participate in the Oklahoma Police  
16 Deferred Option Plan, but not before the date at which  
17 the member completes twenty (20) years of credited  
18 service,

19 b. "termination date" means the date the member elects to  
20 participate in the Oklahoma Police Deferred Option  
21 Plan pursuant to this subsection, and the date the  
22 member terminates employment with all participating  
23 municipalities as an active police officer, such  
24 termination has at all times included reemployment of

1 a member by a participating municipality only if such  
2 reemployment is as a police chief or in a position not  
3 covered under the System,

4 c. "earlier attained credited service" means the credited  
5 service earned by a member as of the back drop date,  
6 and earlier attained credited service cannot be  
7 reduced to less than twenty (20) years of credited  
8 service, and

9 d. "deferred benefit balance" means all monthly  
10 retirement benefits that would have been payable had  
11 the member elected to cease employment on the back  
12 drop date and receive a service retirement from the  
13 back drop date to the termination date, all of the  
14 member's contributions and one-half (1/2) of the  
15 employer contributions from the back drop date to the  
16 termination date, with interest based on how the  
17 benefit would have accumulated as if the member had  
18 participated in the Oklahoma Police Deferred Option  
19 Plan pursuant to subsections A, B, C, D and E of this  
20 section from the back drop date to the termination  
21 date;

22 2. At the termination date, the monthly pension benefit shall  
23 be determined based on earlier attained credited service and on the  
24 final average salary as of the back drop date. The member's

1 individual deferred option account shall be credited with an amount  
2 equal to the deferred benefit balance; the member shall terminate  
3 employment with all participating municipalities as a police officer  
4 and shall start receiving the member's accrued monthly retirement  
5 benefit from the System. The provisions of subsections B, C, E, F  
6 and G of this section shall apply to this subsection. A member  
7 shall not participate in the Oklahoma Police Deferred Option Plan  
8 pursuant to this subsection if the member has elected to participate  
9 in the Oklahoma Police Deferred Option Plan pursuant to subsections  
10 A, B, C, D, E and F of this section; and

11 3. If a member who has not less than twenty (20) years of  
12 creditable service and who is eligible to receive a service  
13 retirement pension dies prior to terminating employment, the  
14 surviving spouse shall be eligible to elect to receive a benefit  
15 determined as if the member had elected to participate in the  
16 Oklahoma Police Deferred Option Plan in accordance with this  
17 subsection on the day immediately preceding the death. The  
18 surviving spouse must have been married to the member for the thirty  
19 (30) continuous months preceding the member's death; provided, the  
20 surviving spouse of a member who died while in, and as a consequence  
21 of, the performance of the member's duty for a participating  
22 municipality shall not be subject to the thirty-month marriage  
23 requirement for this election.

24

1       SECTION 4.       AMENDATORY       11 O.S. 2011, Section 50-112, is  
2 amended to read as follows:

3       Section 50-112. A. All persons employed as full-time duly  
4 appointed or elected officers who are paid for working more than  
5 twenty-five (25) hours per week or any person hired by a  
6 participating municipality who is undergoing police training to  
7 become a permanent police officer of the municipality shall  
8 participate in the System upon initial employment with a police  
9 department of a participating municipality. All such persons shall  
10 submit to a physical-medical examination pertaining to sight,  
11 hearing, agility and other conditions the requirements of which  
12 shall be established by the State Board. The person shall be  
13 required to complete this physical-medical examination prior to the  
14 beginning of actual employment. This examination shall identify any  
15 preexisting conditions. Except as otherwise provided in this  
16 section, a police officer shall be not less than twenty-one (21) nor  
17 more than forty-five (45) years of age when accepted for membership  
18 in the System. However, if a municipality should be found to be in  
19 noncompliance with the provisions of Article 50 of this title, as  
20 determined by the State Board, then any current full-time active  
21 police officer employed by a municipality as of July 1, 2001, shall  
22 not be denied eligibility to participate in the Oklahoma Police  
23 Pension and Retirement System solely due to age. The State Board  
24 shall have authority to deny or revoke membership of any person

1 submitting false information in such person's membership  
2 application. The State Board shall have final authority in  
3 determining eligibility for membership in the System, pursuant to  
4 the provisions of this article.

5 B. The police chief of any participating municipality may be  
6 exempt from membership in the System or may become a member provided  
7 the member is not a retired member and the requirements of this  
8 section are met at the time of employment.

9 C. A member of the System who has attained his or her normal  
10 retirement date may, if the member so elects, agree to terminate  
11 employment and retire as a member of the System and make an election  
12 to receive distributions from the System. If a retired member is  
13 reemployed by a participating municipality in the position of police  
14 chief or in a position which is not covered by the System,  
15 retirement shall include receipt by such retired member of in-  
16 service distributions from the System.

17 D. A former member of the System who terminates from covered  
18 employment and who has neither retired from the System nor entered  
19 the Oklahoma Police Deferred Option Plan and is later employed in a  
20 covered position with a participating municipality shall not be  
21 denied eligibility to become a member of the System because he or  
22 she is forty-five (45) years of age or older. If such member has  
23 withdrawn his or her contributions prior to re-entering the System  
24 and the member desires to receive credit for such prior service,

1 then the member shall pay back such contributions and interest  
2 pursuant to Section 50-111.1 of this title.

3 E. Notwithstanding any other provision of law to the contrary,  
4 a municipality that employs two (2) or fewer full-time police  
5 officers may employ a police officer who is more than forty-five  
6 (45) years of age and who has never participated in the Oklahoma  
7 Police Pension and Retirement System, but such police officer shall  
8 not be eligible to participate in the System. Such police officer  
9 shall be counted in the limitation imposed by this subsection.

10 Notwithstanding any other provisions of law, the State Board shall  
11 be granted access to information concerning a list of actively  
12 working police officers within the municipalities and agencies under  
13 the purview provided by the Council on Law Enforcement Education and  
14 Training.

15 SECTION 5. AMENDATORY 11 O.S. 2011, Section 50-114, is  
16 amended to read as follows:

17 Section 50-114. A. The State Board is hereby authorized to pay  
18 out of funds in the System a monthly service pension to any member  
19 eligible as hereinafter provided, not exceeding in any event the  
20 amount of money in such funds and not exceeding in any event the  
21 accrued retirement benefit for such member, except as provided for  
22 herein. In order for a member to be eligible for such service  
23 pension the following requirements must be complied with:

1        1. The member's service with the police department for any  
2 participating municipality must have ceased; however, a member may  
3 be subsequently reemployed in the position of police chief pursuant  
4 to subsection C of Section 50-112 of this title;

5        2. The member must have reached the member's normal retirement  
6 date; and

7        3. The member must have complied with any agreement as to  
8 contributions by the member and other members to any funds of the  
9 System where said agreement has been made as provided by this  
10 article; provided, that should a retired member receive disability  
11 benefits as provided in this and other sections of this article, the  
12 time the retired member is receiving said disability benefits shall  
13 count as time on active service if the retired member should be  
14 recalled by the Chief of Police from said disability retirement. It  
15 shall be necessary before said time shall be counted toward  
16 retirement that the retired member make the same contribution as the  
17 member would have otherwise made if on active service for the time  
18 the retired member was disabled.

19        B. Any member complying with all requirements of this article,  
20 who reaches normal retirement date, upon application, shall be  
21 retired at the accrued retirement benefit. When a member has served  
22 for the necessary number of years and is otherwise eligible, as  
23 provided in this article, if such member is discharged without cause  
24

1 by the participating municipality, the member shall be eligible for  
2 a pension.

3 C. Effective July 1, 1989, in no event shall commencement of  
4 distribution of the accrued retirement benefit of a member be  
5 delayed beyond April 1 of the calendar year following the later of:

6 1. The calendar year in which the member reaches seventy and  
7 one-half (70 1/2) years of age; or

8 2. The actual retirement date of the member.

9 For distributions made for calendar years beginning on or after  
10 January 1, 2001 through December 31, 2004, the System shall apply  
11 the minimum distribution requirements and incidental benefit  
12 requirements of Section 401(a)(9) of the Internal Revenue Code of  
13 1986, as amended, in accordance with the regulations under Section  
14 401(a)(9) of the Internal Revenue Code of 1986, as amended, which  
15 were proposed on January 17, 2001, notwithstanding any provision of  
16 the System to the contrary. For distributions made for calendar  
17 years beginning on or after January 1, 2005, the System shall apply  
18 the minimum distribution incidental benefit requirements, incidental  
19 benefit requirements, and minimum distribution requirements of  
20 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,  
21 in accordance with the final regulations under Section 401(a)(9) of  
22 the Internal Revenue Code of 1986, as amended, which were issued in  
23 April 2002 and June 2004, notwithstanding any provision of the  
24 System to the contrary. Effective January 1, 2009, with respect to

1 the Oklahoma Police Deferred Option Plan, to the extent applicable,  
2 no minimum distribution is required for 2009 in accordance with  
3 Section 401(a)(9)(H) of the Internal Revenue Code of 1986, as  
4 amended.

5 Effective September 8, 2009, notwithstanding anything to the  
6 contrary of the System, the System, which is a governmental plan  
7 (within the meaning of Section 414(d) of the Internal Revenue Code  
8 of 1986, as amended) is treated as having complied with Section  
9 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all  
10 years to which Section 401(a)(9) of the Internal Revenue Code of  
11 1986, as amended, applies to the System if the System complies with  
12 a reasonable and good faith interpretation of Section 401(a)(9) of  
13 the Internal Revenue Code of 1986, as amended.

14 D. In the event of the death of any member who has been awarded  
15 a retirement benefit or is eligible therefor as provided in this  
16 section, such member's beneficiaries shall be paid such retirement  
17 benefit. The remaining portion of the member's retirement benefit  
18 shall be distributed to the beneficiaries at least as rapidly as  
19 under the method of distribution to the member. Effective March 1,  
20 1997, if a member to whom a retirement benefit has been awarded or  
21 who is eligible therefor dies prior to the date as of which the  
22 total amount of retirement benefit paid equals the total amount of  
23 the employee contributions paid by or on behalf of the member and  
24 the member does not have a surviving beneficiary, the total benefits

1 paid as of the date of the member's death shall be subtracted from  
2 the accumulated employee contribution amount and the balance, if  
3 greater than zero (0), shall be paid to the member's estate.

4 E. The State Board may review and affirm a member's request for  
5 retirement benefits prior to the member's normal retirement date  
6 provided that no retirement benefits are paid prior to the normal  
7 retirement date.

8 F. A member retired under the provisions of this article may  
9 apply to the State Board to have the member's retirement benefits  
10 set aside and may make application for disability benefits. Upon  
11 approval of the disability benefits, the member would become subject  
12 to all provisions of this article pertaining to disability  
13 retirement.

14 G. Upon the death of a retired member or a beneficiary, the  
15 benefit payment for the month in which the retired member or  
16 beneficiary died, if not previously paid, shall be made to the  
17 beneficiary of the member, which shall include a successor in  
18 interest for whom an affidavit is provided to the System, in  
19 accordance with Section 393 of Title 58 of the Oklahoma Statutes or  
20 to the member's or beneficiary's estate if there is no beneficiary.  
21 Such benefit payment shall be made in an amount equal to a full  
22 monthly benefit payment regardless of the day of the month in which  
23 the retired member or beneficiary died.

1 H. If the requirements of Section 50-114.4 of this title are  
2 satisfied, a member who, by reason of attainment of normal  
3 retirement date or age, is separated from service as a public safety  
4 officer with the member's participating municipality, may elect to  
5 have payment made directly to the provider for qualified health  
6 insurance premiums by deduction from his or her monthly pension  
7 payment, after December 31, 2006, in accordance with Section 402(l)  
8 of the Internal Revenue Code of 1986, as amended.

9 SECTION 6. This act shall become effective July 1, 2019.

10 SECTION 7. It being immediately necessary for the preservation  
11 of the public peace, health or safety, an emergency is hereby  
12 declared to exist, by reason whereof this act shall take effect and  
13 be in full force from and after its passage and approval.

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