

SENATE FLOOR VERSION

April 1, 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

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

- 3 (a) i. in a plan year beginning after June 30,
4 2019, the applicable interest rate
5 under Section 417(e)(3) of the Internal
6 Revenue Code of 1986, as amended (and
7 subsequent guidance), for the fourth
8 calendar month preceding the plan year
9 in which falls the annuity starting
10 date for the distribution and the
11 stability period is the successive
12 period of one (1) plan year which
13 contains the annuity starting date for
14 the distribution and for which the
15 applicable interest rate remains
16 constant, and
- 17 ii. in a plan year beginning before July 1,
18 2019, the adjusted first, second, and
19 third segment rates under Section
20 417(e)(3)(C) and (D) of the Internal
21 Revenue Code of 1986, as amended,
22 applied under rules similar to the
23 rules of Section 430(h)(2)(C) of the
24 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

(a) 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 amended, 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, or as otherwise provided in the applicable guidance if the first day of the first plan year beginning after December 31, 2007, does not coincide with the first day of the applicable stability period, and

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

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

c. Annuity Starting Date in Plan Years Beginning in 2006 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:

(a) the rate of interest on thirty-year Treasury securities as specified by the Commissioner for the lookback month for the stability period specified below. The lookback month applicable to the stability period is the fourth calendar month preceding the first day of the stability period, as specified below. 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

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

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

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

(1) If the annuity starting date of the member's form of benefit is in a plan year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same 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

1 required) with actuarial equivalence
2 computed using a five percent (5%) interest
3 rate assumption and the applicable mortality
4 table within the meaning of Section
5 417(e) (3) (B) of the Internal Revenue Code of
6 1986, as amended, as described in Revenue
7 Ruling 2007-67 (and subsequent guidance)
8 (and expressing the member's age based on
9 completed calendar months as of the annuity
10 starting date).

- 11 (2) System Has Immediately Commencing Straight Life
12 Annuity Payable at Both Sixty-two (62) Years of
13 Age and the Age of Benefit Commencement. If the
14 annuity starting date for the member's benefit is
15 prior to sixty-two (62) years of age and occurs
16 in a limitation year beginning on or after July
17 1, 2007, and the System has an immediately
18 commencing straight life annuity payable at both
19 sixty-two (62) years of age and the age of
20 benefit commencement, the dollar limitation for
21 the member's annuity starting date is the lesser
22 of the limitation determined under division (1)
23 of this subparagraph and the dollar limitation
24 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

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

- 23 (b) If the annuity starting date for the
24 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.

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.

14 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
15 April 1, 2019 - DO PASS AS AMENDED
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