

1 ENGROSSED HOUSE
2 BILL NO. 2458

By: Lepak of the House

and

Montgomery of the Senate

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7 An Act relating to public retirement systems;
8 amending 20 O.S. 2011, Sections 1102C and 1103.1,
9 which relate to the Uniform Retirement System for
10 Justices and Judges; amending 74 O.S. 2011, Sections
11 906, as amended by Section 3, Chapter 312, O.S.L.
12 2017, 909.1, as amended by Section 1, Chapter 109,
13 O.S.L. 2012, 915, as last amended by Section 2,
14 Chapter 112, O.S.L. 2020, 918 and 932 (74 O.S. Supp.
15 2020, Sections 906, 909.1 and 915), which relate to
16 the Oklahoma Public Employees Retirement System;
17 modifying references; authorizing release of certain
18 information; and providing an effective date.

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

20 SECTION 1. AMENDATORY 20 O.S. 2011, Section 1102C, is
21 amended to read as follows:

22 Section 1102C. A. Except as otherwise provided for in this
23 section and Section 1104.2 of Title 20 of ~~the Oklahoma Statutes~~ this
24 title, members who join the Uniform Retirement System for Justices
and Judges on September 1, 2005, or thereafter, may elect to have
the retirement benefit paid under one of the options provided in
this section in lieu of having it paid in the form stated in Section

1 1104 of ~~Title 20 of the Oklahoma Statutes~~ this title. The election
2 of an option must be made prior to the member's retirement date or
3 to receipt of a benefit after termination of service with a vested
4 benefit. A specific person must be designated as joint annuitant at
5 the time of the election of Option A or B. Election of an option is
6 available with respect to the vested benefit. All retirement
7 benefits of a married member shall be paid pursuant to the Option A
8 plan or Option B plan as provided for in this section unless the
9 spouse of a member consents in writing for the unreduced benefits to
10 be paid as provided for in Section 1104 of ~~Title 20 of the Oklahoma~~
11 ~~Statutes or pursuant to Option B as provided for in this section~~
12 title.

13 B. The amount of retirement benefit payable under an option
14 shall be based on the age and sex of the member and the age and sex
15 of the joint annuitant at the retirement date, and shall be such
16 amount as to be the actuarial equivalent of the retirement benefit
17 otherwise payable under Section 1104 of ~~Title 20 of the Oklahoma~~
18 ~~Statutes~~ this title.

19 C. The retirement options are:

20 Option A. Joint and one-half to joint annuitant survivor.

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

1 lifetime, if any, after the death of the retiree.
2 If the named joint annuitant dies at any time after
3 the member's retirement date, but before the death
4 of the retiree, the retiree shall return to the
5 unreduced retirement benefit, including any
6 postretirement benefit increases, the member would
7 have received had the member not selected Option A.
8 The benefit shall be determined at the date of
9 death of the named joint annuitant. This increase
10 shall become effective the first day of the month
11 following the date of death of the named joint
12 annuitant, and shall be payable for the retiree's
13 remaining lifetime. The retiree shall notify the
14 Uniform Retirement System for Justices and Judges
15 of the death of the named joint annuitant in
16 writing. In the absence of the written notice
17 being filed by the member notifying the Uniform
18 Retirement System for Justices and Judges of the
19 death of the named joint annuitant within six (6)
20 months of the date of death, nothing in this
21 subsection shall require the Uniform Retirement
22 System for Justices and Judges to pay more than six
23 (6) months of retrospective benefits increase.
24

1 Option B. Joint and survivor. A reduced retirement benefit
2 is payable to the retiree during his or her
3 lifetime with that amount continued to the joint
4 annuitant during the joint annuitant's remaining
5 lifetime, if any, after the death of the retiree.
6 If the named joint annuitant dies at any time after
7 the member's retirement date, but before the death
8 of the retiree, the retiree shall return to the
9 unreduced retirement benefit, including any
10 postretirement benefit increases, the member would
11 have received had the member not selected Option B.
12 The benefit shall be determined at the date of
13 death of the named joint annuitant. This increase
14 shall become effective the first day of the month
15 following the date of death of the named joint
16 annuitant, and shall be payable for the retiree's
17 remaining lifetime. The retiree shall notify the
18 Uniform Retirement System for Justices and Judges
19 of the death of the named joint annuitant in
20 writing. In the absence of such written notice
21 being filed by the member notifying the Uniform
22 Retirement System for Justices and Judges of the
23 death of the named joint annuitant within six (6)
24 months of the date of death, nothing in this

1 subsection shall require the Uniform Retirement
2 System for Justices and Judges to pay more than six
3 (6) months of retrospective benefits increase.

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

17 SECTION 2. AMENDATORY 20 O.S. 2011, Section 1103.1, is
18 amended to read as follows:

19 Section 1103.1 A. On and after January 1, 2001, the
20 Administrative Director of the Courts, in addition to the members'
21 contributions, shall transfer monthly amounts for deposit in the
22 State Judicial Retirement Fund as set out in Section 1309 of this
23 title equal to two percent (2.0%) of the monthly total actual paid
24 gross salaries of the members of the Uniform Retirement System for

1 Justices and Judges. Effective July 1, 2005, such amounts
 2 transferred by the Administrative Director of the Courts shall be as
 3 follows:

Fiscal Year Ending	Percentage of Contribution
June 30, 2006	3.0%
June 30, 2007	4.0%
June 30, 2008	5.5%
June 30, 2009	7.0%
June 30, 2010	8.5%
June 30, 2011	10.0%
June 30, 2012	11.5%
June 30, 2013	13.0%
June 30, 2014	14.5%
June 30, 2015	16.0%
June 30, 2016	17.5%
June 30, 2017	19.0%
June 30, 2018	20.5%
June 30, 2019 and thereafter	22.0%

19 B. The State Judicial Retirement Fund should have a funded
 20 ratio at or near ninety percent (90%) or be receiving sufficient
 21 contributions to amortize any unfunded liability of the fund
 22 according to the amortization schedule adopted by the Board of
 23 Trustees of the Oklahoma Public Employees Retirement System. The
 24 Board of Trustees shall provide a copy of the annual actuarial

1 report to the Governor, the Chief Justice of the Supreme Court, ~~the~~
2 ~~Legislative Service Bureau,~~ the Speaker of the House of
3 Representatives and the President Pro Tempore of the Senate. In
4 addition to this report, the Board shall provide a letter setting
5 forth the amount of the actuarially required contributions for the
6 System and any other recommendations that the Board may deem
7 necessary.

8 C. The Administrative Director of the Courts shall remit to the
9 System all statutorily required retirement contributions due on a
10 monthly basis. All required court and employee contributions and
11 supporting documentation are due and must be received by the System
12 on or before the fifteenth day of the month following the month for
13 which the contributions are due. Court and employee contributions
14 remitted to the System after thirty (30) days from the above due
15 date shall be subject to a monthly late charge of one and one-half
16 percent (1.5%) of the unpaid balance to be paid by the
17 Administrative Director of the Courts to the System.

18 SECTION 3. AMENDATORY 74 O.S. 2011, Section 906, as
19 amended by Section 3, Chapter 312, O.S.L. 2017 (74 O.S. Supp. 2020,
20 Section 906), is amended to read as follows:

21 Section 906. (1) The Board shall hold regular meetings in
22 Oklahoma City at least once each quarter, the dates, time, and place
23 thereof to be fixed by the Board. The Board shall hold a regular
24 meeting in July of each year which meeting shall be the annual

1 meeting and at which meeting it shall elect its ~~Chairman~~ chair.
2 Special meetings may be called upon written call of the ~~Chairman~~
3 chair or by agreement of any ~~seven~~ eight members of the Board.
4 Notice of a special meeting shall be delivered to all trustees in
5 person ~~or~~, by registered or certified United States mail, or by
6 electronic mail not less than seven (7) days prior to the date fixed
7 for the meeting; provided, however, that notice of such meeting may
8 be waived by any member either before or after such meeting and
9 attendance at such meeting shall constitute a waiver of notice of
10 such meeting, unless a member participates therein solely to object
11 to the transaction of any business because the meeting has not been
12 legally called or convened.

13 (2) Eight (8) trustees shall constitute a quorum for the
14 transaction of business, but any official action of the Board shall
15 be based upon a favorable vote by at least eight (8) trustees at a
16 regular or special meeting of the Board.

17 (3) The trustees shall serve the System without compensation
18 but shall receive their actual and necessary expenses, subject to
19 statutory limitations applying to other state employees, as are
20 incurred in the performance of their duties, which shall be paid as
21 an operating expense from the appropriate operating fund of the
22 System.

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1 SECTION 4. AMENDATORY 74 O.S. 2011, Section 909.1, as
2 amended by Section 1, Chapter 109, O.S.L. 2012 (74 O.S. Supp. 2020,
3 Section 909.1), is amended to read as follows:

4 Section 909.1 A. The Oklahoma Public Employees Retirement
5 System Board of Trustees shall discharge their duties with respect
6 to the System solely in the interest of the participants and
7 beneficiaries and:

8 1. For the exclusive purpose of:

9 a. providing benefits to participants and their
10 beneficiaries, and

11 b. defraying reasonable expenses of administering the
12 System;

13 2. With the care, skill, prudence, and diligence under the
14 circumstances then prevailing that a prudent person acting in a like
15 capacity and familiar with such matters would use in the conduct of
16 an enterprise of a like character and with like aims;

17 3. By diversifying the investments of the System so as to
18 minimize the risk of large losses, unless under the circumstances it
19 is clearly prudent not to do so; and

20 4. In accordance with the laws, documents and instruments
21 governing the System.

22 B. The Board of Trustees may procure insurance indemnifying the
23 members of the Board of Trustees from personal loss or
24

1 accountability from liability resulting from a member's action or
2 inaction as a member of the Board of Trustees.

3 C. The Board of Trustees may establish an investment committee.
4 The investment committee shall be composed of not more than five (5)
5 members of the Board of Trustees appointed by the chairman of the
6 Board of Trustees. The committee shall make recommendations to the
7 full Board of Trustees on all matters related to the choice of
8 custodians and managers of the assets of the System, on the
9 establishment of investment and fund management guidelines, and in
10 planning future investment policy. The committee shall have no
11 authority to act on behalf of the Board of Trustees in any
12 circumstances whatsoever. No recommendation of the committee shall
13 have effect as an action of the Board of Trustees nor take effect
14 without the approval of the Board of Trustees as provided by law.

15 D. The Board of Trustees shall retain qualified investment
16 managers to provide for the investment of the monies of the System.
17 The investment managers shall be chosen by a solicitation of
18 proposals on a competitive bid basis pursuant to standards set by
19 the Board of Trustees. Subject to the overall investment guidelines
20 set by the Board of Trustees, the investment managers shall have
21 full discretion in the management of those monies of the System
22 allocated to the investment managers. The Board of Trustees shall
23 manage those monies not specifically allocated to the investment
24 managers. The monies of the System allocated to the investment

1 managers shall be managed by the investment managers, which may
2 include selling investments and realizing losses if such action is
3 considered advantageous to longer term return maximization. Because
4 of the total return objective, no distinction shall be made for
5 management and performance evaluation purposes between realized and
6 unrealized capital gains and losses.

7 E. Funds and revenues for investment by the investment managers
8 or the Board of Trustees shall be placed with a custodian selected
9 by the Board of Trustees. The custodian shall be a bank or trust
10 company offering pension fund master trustee and master custodial
11 services. The custodian shall be chosen by a solicitation of
12 proposals on a competitive basis pursuant to standards set by the
13 Board of Trustees. In compliance with the investment policy
14 guidelines of the Board of Trustees, the custodian bank or trust
15 company shall be contractually responsible for ensuring that all
16 monies of the System are invested in income-producing investment
17 vehicles at all times. If a custodian bank or trust company has not
18 received direction from the investment managers of the System as to
19 the investment of the monies of the System in specific investment
20 vehicles, the custodian bank or trust company shall be contractually
21 responsible to the Board of Trustees for investing the monies in
22 appropriately collateralized short-term interest-bearing investment
23 vehicles.

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1 F. By November 1, 1988, and prior to August 1 of each year
2 thereafter, the Board of Trustees shall develop a written investment
3 plan for the System.

4 G. The Board of Trustees shall compile a quarterly financial
5 report of all the funds of the System on a fiscal year basis. The
6 report shall be compiled pursuant to uniform reporting standards
7 prescribed by the Oklahoma State Pension Commission for all state
8 retirement systems. The report shall include several relevant
9 measures of investment value, including acquisition cost and current
10 fair market value with appropriate summaries of total holdings and
11 returns. The report shall contain combined and individual rate of
12 returns of the investment managers by category of investment, over
13 periods of time. The Board of Trustees shall include in the
14 quarterly reports all commissions, fees or payments for investment
15 services performed on behalf of the Board. The report shall be
16 distributed to the Governor, the Oklahoma State Pension Commission,
17 ~~the Legislative Service Bureau,~~ the Speaker of the House of
18 Representatives and the President Pro Tempore of the Senate. In
19 lieu of compiling and distributing the quarterly report, the Board
20 may provide the Pension Commission with direct access to the same
21 data from the custodian bank for the System.

22 H. After July 1 and before December 1 of each year, the Board
23 of Trustees shall publish widely an annual report presented in
24 simple and easily understood language pursuant to uniform reporting

1 standards prescribed by the Oklahoma State Pension Commission for
2 all state retirement systems. The report shall be submitted to the
3 Governor, the Speaker of the House of Representatives, the President
4 Pro Tempore of the Senate, the Oklahoma State Pension Commission and
5 the members of the System. The annual report shall cover the
6 operation of the System during the past fiscal year, including
7 income, disbursements, and the financial condition of the System at
8 the end of the fiscal year. The annual report shall also contain
9 the information issued in the quarterly reports required pursuant to
10 subsection G of this section as well as a summary of the results of
11 the most recent actuarial valuation to include total assets, total
12 liabilities, unfunded liability or over funded status, contributions
13 and any other information deemed relevant by the Board of Trustees.
14 The annual report shall be written in such a manner as to permit a
15 readily understandable means for analyzing the financial condition
16 and performance of the System for the fiscal year.

17 I. The Board shall distribute the corpus and income of the
18 System to the members and their beneficiaries in accordance with the
19 System's laws and rules and regulations. At no time prior to the
20 satisfaction of all liabilities with respect to members and their
21 beneficiaries shall any part of the corpus and income be used for,
22 or diverted to, purposes other than the exclusive benefit of the
23 members and their beneficiaries.

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1 SECTION 5. AMENDATORY 74 O.S. 2011, Section 915, as last
2 amended by Section 2, Chapter 112, O.S.L. 2020 (74 O.S. Supp. 2020,
3 Section 915), is amended to read as follows:

4 Section 915. A. (1) Except as otherwise provided in this
5 subsection and as provided for elected officials in Section 913.4 of
6 this title, any member who shall retire on or after the member's
7 normal retirement date shall be entitled to receive an annual
8 retirement benefit equal to two percent (2%) of the member's final
9 average compensation as determined pursuant to paragraph (18) of
10 Section 902 of this title, multiplied by the number of years of
11 credited service that has been credited to the member in accordance
12 with the provisions of Section 913 of this title other than years
13 credited pursuant to paragraph (2) of this subsection.

14 (2) Effective January 1, 2004, except as otherwise provided for
15 elected officials in Section 913.4 of this title and except for
16 those members making contributions pursuant to paragraphs (c), (d),
17 (e) and (f) of subsection (1) of Section 919.1 of this title, any
18 member who shall retire shall be entitled to receive an annual
19 retirement benefit equal to two and one-half percent (2 1/2%) of the
20 member's final average compensation as determined pursuant to
21 paragraph (18) of Section 902 of this title, multiplied by the
22 number of full years of participating service after January 1, 2004,
23 that have been credited to the member in accordance with the
24 provisions of Section 913 of this title and only for those full

1 years of participating service for which contributions have been
2 made pursuant to paragraph (g) of subsection (1) of Section 919.1 of
3 this title. The two and one-half percent (2 1/2%) multiplier shall
4 not apply to purchased service, purchased or granted military
5 service or transferred service. In order to receive the two and
6 one-half percent (2 1/2%) multiplier in computing retirement
7 benefits, an active member shall make an irrevocable written
8 election to pay the contributions pursuant to paragraph (g) of
9 subsection (1) of Section 919.1 of this title. The two and one-half
10 percent (2 1/2%) multiplier pursuant to this paragraph shall not
11 apply to additional years of service credit attributed to sick leave
12 pursuant to paragraph 7 of subsection B of Section 913 of this title
13 and fractional years pursuant to subsection C of Section 913 of this
14 title and shall be attributable only to the participating service
15 credited after the election of the member.

16 (3) The minimum final average compensation for any person who
17 becomes a member of the System on or after July 1, 1995:

18 a. and who had twenty (20) or more years of credited
19 service within the System as of the member's
20 retirement date shall be no less than Thirteen
21 Thousand Eight Hundred Dollars (\$13,800.00) per annum,

22 b. and who had at least fifteen (15) but not more than
23 nineteen (19) years of credited service within the
24 System as of the member's retirement date shall be no

1 less than Six Thousand Nine Hundred Dollars

2 (\$6,900.00) per annum,

3 c. and who had less than fifteen (15) years of credited
4 service within the System as of the member's
5 retirement date shall not be eligible for any minimum
6 amount of final average compensation and the member's
7 final average compensation shall be the final average
8 compensation as defined by paragraph (18) of Section
9 902 of this title.

10 (4) Provided, further, any member who has elected a vested
11 benefit pursuant to Section 917 of this title shall be entitled to
12 receive benefits as outlined in this section except the percent
13 factor and the member's maximum compensation level in effect the
14 date the member's employment was terminated with a participating
15 employer shall be applicable.

16 (5) Any member who is a correctional officer or a probation and
17 parole officer employed by the Department of Corrections at the time
18 of retirement and who retires on or before June 30, 2000, shall be
19 entitled to receive an annual retirement benefit equal to two and
20 one-half percent (2 1/2%) of the final average compensation of the
21 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and
22 two percent (2%) of the final average salary in excess of Twenty-
23 five Thousand Dollars (\$25,000.00) but not exceeding the maximum
24 compensation level as provided in paragraph (9) of Section 902 of

1 this title, multiplied by the number of years of service as a
2 correctional officer or a probation and parole officer⁷; provided,
3 any years accrued prior to July 1, 1990, as a correctional officer
4 or a probation and parole officer by a member who is employed as a
5 correctional officer or a probation and parole officer on July 1,
6 1990, shall be calculated for retirement purposes at two and one-
7 quarter percent (2 1/4%) of the final average compensation of the
8 member not to exceed Twenty-five Thousand Dollars (\$25,000.00) and
9 two percent (2%) of the final average salary in excess of Twenty-
10 five Thousand Dollars (\$25,000.00) but not exceeding the maximum
11 compensation level as provided in paragraph (9) of Section 902 of
12 this title, multiplied by the number of years of such service and
13 any years in excess of twenty (20) years as such an officer or years
14 credited to the member in accordance with the provisions of Section
15 913 of this title shall be calculated for retirement purposes at two
16 percent (2%) of the final average compensation of the member
17 multiplied by the number of years of such service. Any person who
18 contributes to the System as a correctional officer or a probation
19 and parole officer as provided in paragraph (b) or (c) of subsection
20 (1) of Section 919.1 of this title, on or before June 30, 2000, but
21 who does not make such contributions after June 30, 2000, and who
22 does not qualify for normal retirement under subparagraph (c) of
23 paragraph (24) of Section 902 of this title shall have retirement
24 benefits for each year of full-time-equivalent participating service

1 as a correctional or a probation and parole officer after July 1,
2 1990, computed on two and one-half percent (2 1/2%) of the final
3 average compensation based upon those years as a correctional
4 officer or a probation and parole officer. Provided, further, any
5 fugitive apprehension agent shall be entitled to receive benefits as
6 outlined in this act for service as a fugitive apprehension agent
7 prior to July 1, 2002, only upon payment to the System of the
8 employee contributions which would have been paid if such fugitive
9 apprehension agent had been covered by this section prior to the
10 effective date of this act, plus interest of not to exceed ten
11 percent (10%) as determined by the Board. The Department of
12 Corrections may make the employee contribution and interest payment
13 on behalf of such member.

14 (6) Any member who is a correctional officer, a probation and
15 parole officer or a fugitive apprehension agent employed by the
16 Department of Corrections at the time of retirement and who retires
17 on or after July 1, 2002, shall be entitled to receive an annual
18 retirement benefit equal to two and one-half percent (2 1/2%) of the
19 final average compensation of the member, but not exceeding the
20 maximum compensation level as provided in paragraph (18) of Section
21 902 of this title, multiplied by the number of years of service as a
22 correctional officer, a probation and parole officer or a fugitive
23 apprehension agent, and any years in excess of twenty (20) years as
24 such an officer or agent, or years credited to the member in

1 accordance with the provisions of Section 913 of this title, shall
2 be calculated for retirement purposes at two percent (2%) of the
3 final average compensation of the member multiplied by the number of
4 years of such service. For purposes of this paragraph, "final
5 average compensation" shall be determined by computing the average
6 annual salary, in the manner prescribed by paragraph (18) of Section
7 902 of this title, for the highest three (3) years of the last ten
8 (10) years of participating service immediately preceding retirement
9 or termination of employment for all years of service performed by
10 such member, both for years of service performed as a correctional
11 officer, probation and parole officer or fugitive apprehension
12 agent, not in excess of twenty (20) years, and for years of service
13 performed in excess of twenty (20) years, whether as a correctional
14 officer, probation and parole officer, fugitive apprehension agent
15 or other position unless the computation of benefits would result in
16 a lower retirement benefit amount than if final average compensation
17 were to be computed as otherwise provided by this paragraph. "Final
18 average compensation" shall be determined by computing the average
19 annual salary for the highest five (5) of the last ten (10) years of
20 participating service immediately preceding retirement or
21 termination of employment, with respect to members whose first
22 participating service occurs on or after July 1, 2013.

23 (7) Any member who is a correctional officer, a probation and
24 parole officer or a fugitive apprehension agent who has at least

1 five (5) years of service as a correctional officer, a probation and
2 parole officer or a fugitive apprehension agent who is in such
3 position on June 30, 2004, or who is hired after June 30, 2004, in
4 such position, and who receives a promotion or change in job
5 classification after June 30, 2004, to another position in the
6 Department of Corrections, and who is employed by the Department of
7 Corrections at the time of retirement and who retires on or after
8 July 1, 2004, shall be entitled to receive an annual retirement
9 benefit equal to two and one-half percent (2 1/2%) of the final
10 average compensation of the member, but not exceeding the maximum
11 compensation level as provided in paragraph (18) of Section 902 of
12 this title, multiplied by the number of years of service with the
13 Department of Corrections and any years in excess of twenty (20)
14 years with the Department or years credited to the member in
15 accordance with the provisions of Section 913 of this title, shall
16 be calculated for retirement purposes at two percent (2%) of the
17 final average compensation of the member multiplied by the number of
18 years of such service. For purposes of this paragraph, "final
19 average compensation" shall be determined by computing the average
20 annual salary, in the manner prescribed by paragraph (18) of Section
21 902 of this title, for the highest three (3) years of the last ten
22 (10) years of participating service immediately preceding retirement
23 or termination of employment for all years of service performed by
24 such member with the Department. "Final average compensation" shall

1 be determined by computing the average annual salary for the highest
2 five (5) of the last ten (10) years of participating service
3 immediately preceding retirement or termination of employment, with
4 respect to members whose first participating service occurs on or
5 after July 1, 2013.

6 (8) Any person who contributed to the System as a correctional
7 officer, a probation and parole officer or a fugitive apprehension
8 agent as provided in ~~paragraphs~~ paragraph (b) or (c) of subsection
9 (1) of Section 919.1 of this title, and who retires under normal
10 retirement or early retirement on or after January 1, 2004, under
11 paragraph (24) of Section 902 of this title, and any public safety
12 officer described by paragraph (37) of Section 902 of this title
13 hired on or after the effective date of this act by the Grand River
14 Dam Authority and who retires on or after the effective date of this
15 act, shall have retirement benefits for each year of full-time-
16 equivalent participating service as a correctional officer, a
17 probation and parole officer or a fugitive apprehension agent, or
18 Grand River Dam public safety officer computed on two and one-half
19 percent (2 1/2%) of the final average compensation based upon those
20 years as a correctional officer, a probation and parole officer, a
21 fugitive apprehension agent or a Grand River Dam public safety
22 officer. For purposes of this paragraph, "final average
23 compensation" shall be determined by computing the average annual
24 salary, in the manner prescribed by paragraph (18) of Section 902 of

1 this title, for the highest three (3) years of the last ten (10)
2 years of participating service immediately preceding retirement or
3 termination of employment for all years of service performed by such
4 member, both for years of service performed as a correctional
5 officer, probation and parole officer or fugitive apprehension
6 agent, or years of service performed as a Grand River Dam public
7 safety officer, not in excess of twenty (20) years, and for years of
8 service performed in excess of twenty (20) years, whether as a
9 correctional officer, probation and parole officer, fugitive
10 apprehension agent, Grand River Dam public safety officer, or other
11 position unless the computation of benefits would result in a lower
12 retirement benefit amount than if final average compensation were to
13 be computed as otherwise provided by this paragraph. "Final average
14 compensation" shall be determined by computing the average annual
15 salary for the highest five (5) of the last ten (10) years of
16 participating service immediately preceding retirement or
17 termination of employment, with respect to members whose first
18 participating service occurs on or after July 1, 2013, or with
19 respect to Grand River Dam public safety officers whose first
20 participating service occurs on or after the effective date of this
21 act.

22 (9) Any member who is:

23 a. initially on or after July 1, 2002, employed as a
24 firefighter for the Oklahoma Military Department and

1 who retires on or after the member's normal retirement
2 date shall be entitled to receive an annual retirement
3 benefit equal to two and one-half percent (2 1/2%) of
4 the final average compensation of the member
5 multiplied by the number of years of service in such
6 service,

7 b. (1) a firefighter who performs firefighting services
8 for the Oklahoma Military Department prior to
9 July 1, 2002, and who makes an election in
10 writing on a form prescribed for this purpose by
11 the System not later than December 31, 2002,
12 shall be entitled to receive a retirement benefit
13 based upon two and one-half percent (2 1/2%) of
14 the final average compensation of the member
15 multiplied by the number of years of service as a
16 firefighter with the Oklahoma Military Department
17 on or after July 1, 2002. The election
18 authorized by this subdivision shall be
19 irrevocable once the election is filed with the
20 System,

21 (2) a firefighter who performs firefighting services
22 for the Oklahoma Military Department prior to
23 July 1, 2002, and who makes the election in
24 division (1) of this subparagraph may also make

1 an election in writing on a form prescribed for
2 this purpose by the System not later than
3 December 31, 2002, to receive a retirement
4 benefit based upon two and one-half percent (2
5 1/2%) of the final average compensation of the
6 member multiplied by the number of years of
7 service as a firefighter with the Oklahoma
8 Military Department prior to July 1, 2002. The
9 election authorized by this subdivision shall be
10 irrevocable once the election is filed with the
11 System. Retirement benefits shall be calculated
12 based upon the two and one-half percent (2 1/2%)
13 multiplier upon payment being made pursuant to
14 Section 913.5 of this title.

15 (10) Any person who contributes to the System as a deputy
16 sheriff or county jailer as provided in paragraph (f) of subsection
17 (1) of Section 919.1 of this title, and who retires under normal
18 retirement or early retirement under division (v) of subparagraph
19 (d) of paragraph (24) of Section 902 of this title, shall have
20 retirement benefits for each year of full-time-equivalent
21 participating service as a deputy sheriff or county jailer computed
22 on two and one-half percent (2 1/2%) of the final average
23 compensation based upon those years as a deputy sheriff or county
24 jailer, and any years in excess of twenty (20) years as a deputy

1 sheriff or county jailer, or years credited to the member in
2 accordance with the provisions of Section 913 of this title, shall
3 be calculated for retirement purposes at two percent (2%) of the
4 final average compensation of the member multiplied by the number of
5 years of such service. For purposes of this paragraph, "final
6 average compensation" shall be determined by computing the average
7 annual salary, in the manner prescribed by paragraph (18) of Section
8 902 of this title, both for years of service performed as a deputy
9 sheriff or county jailer not in excess of twenty (20) years, and for
10 years of service performed in excess of twenty (20) years, whether
11 as a deputy sheriff or county jailer.

12 (11) Upon death of a ~~retirant~~ retiree, there shall be paid to
13 his or her beneficiary an amount equal to the excess, if any, of his
14 or her accumulated contributions over the sum of all retirement
15 benefit payments made.

16 (12) Such annual retirement benefits shall be paid in equal
17 monthly installments, except that the Board may provide for the
18 payment of retirement benefits which total less than Two Hundred
19 Forty Dollars (\$240.00) a year on other than a monthly basis.

20 (13) Pursuant to the rules established by the Board, a retiree
21 receiving monthly benefits from the System may authorize warrant
22 deductions for any products currently offered to active state
23 employees through the Employees Benefits Council, provided that
24 product is offered to state retirees as a group and has a minimum

1 participation of five hundred state retirees. The System has no
2 responsibility for the marketing, enrolling or administration of
3 such products, but shall retain a processing fee of two percent (2%)
4 of the gross deductions for the products. Retirement benefit
5 deductions shall be made for membership dues for any statewide
6 association for which payroll deductions are authorized pursuant to
7 subsection B of Section 34.70 of Title 62 of the Oklahoma Statutes
8 for retired members of any state-supported retirement system, upon
9 proper authorization given by the member to the board from which the
10 member or beneficiary is currently receiving retirement benefits.

11 B. A member shall be considered disabled if such member
12 qualifies for the payment of Social Security disability benefits, or
13 the payment of benefits pursuant to the Railroad Retirement Act of
14 1974, Section 231 et seq. of Title 45 of the United States Code, and
15 shall be eligible for benefits hereunder upon proof of such
16 disability, provided such member is an active regularly scheduled
17 employee with a participating employer at the time of injury or
18 inception of illness or disease resulting in subsequent
19 certification of eligibility for Social Security disability benefits
20 by reason of such injury, illness or disease, providing such
21 disability is certified by the Social Security Administration within
22 one (1) year after the last date physically on the job and after
23 completion of at least eight (8) years of participating service or
24 combined prior and participating service or resulting in subsequent

1 certification of eligibility of disability by the Railroad
2 Retirement Board providing such certification is made by the
3 Railroad Retirement Board within one (1) year after the last date
4 physically on the job and after completion of at least eight (8)
5 years of participating service or combined prior and participating
6 service. The member shall submit to the Retirement System the
7 Social Security Award Notice or the Railroad Retirement Award Notice
8 certifying the date of entitlement for disability benefits, as
9 issued by the Social Security Administration, Department of Health
10 and Human Services or the Railroad Retirement Board. Disability
11 benefits shall become effective on the date of entitlement as
12 established by the Social Security Administration or the Railroad
13 Retirement Board, but not before the first day of the month
14 following removal from the payroll, whichever is later, and final
15 approval by the Retirement System. Benefits shall be based upon
16 length of service and compensation as of the date of disability,
17 without actuarial reduction because of commencement prior to the
18 normal retirement date. The only optional form of benefit payment
19 available for disability benefits is Option A as provided for in
20 Section 918 of this title. Option A must be elected in accordance
21 with the provisions of Section 918 of this title. Benefit payments
22 shall cease upon the member's recovery from disability prior to the
23 normal retirement date. Future benefits, if any, shall be paid
24 based upon length of service and compensation as of the date of

1 disability. In the event that disability ceases and the member
2 returns to employment within the System credited service to the date
3 of disability shall be restored, and future benefits shall be
4 determined accordingly.

5 C. A member who incurred a disability pursuant to subsection B
6 of this section on or after July 1, 1999, and who has retired from
7 the System with an early retirement benefit pending certification
8 from the Social Security Administration or the Railroad Retirement
9 Board shall receive a retirement benefit not less than the
10 disability retirement benefit provided by subsection B of this
11 section once the System receives a Social Security Award Notice or a
12 Railroad Retirement Award Notice pursuant to subsection B of this
13 section and a completed Application for Disability Benefits. In
14 addition, such member shall receive the difference, if any, between
15 the early retirement benefit and the disability benefit from the
16 date the Social Security Administration or the Railroad Retirement
17 Board establishes disability entitlement.

18 D. Any actively participating member of the System on or after
19 July 1, 1998, except for those employees provided in subparagraph
20 (e) of paragraph (14) of Section 902 of this title, whose employment
21 is less than full-time, shall have his or her final average
22 compensation calculated on an annualized basis using his or her
23 hourly wage subject to the maximum compensation limits; provided,
24 however, any such member whose first participating service occurred

1 before July 1, 2013, and who has at least three (3) years of full-
2 time employment during the last ten (10) years immediately preceding
3 termination or retirement shall not be eligible for the
4 annualization provisions contained herein; and provided further, any
5 such member whose first participating service occurred on or after
6 July 1, 2013, and who has at least five (5) years of full-time
7 employment during the last ten (10) years immediately preceding
8 termination or retirement shall not be eligible for the
9 annualization provisions contained herein. The Board of Trustees
10 shall promulgate such administrative rules as are necessary to
11 implement the provisions of this subsection.

12 SECTION 6. AMENDATORY 74 O.S. 2011, Section 918, is
13 amended to read as follows:

14 Section 918. (1) Except as otherwise provided for in this
15 section and Section 918.1 of this title, a member may elect to have
16 the retirement benefit paid under one of the options provided in
17 this section in lieu of having it paid in the form stated in Section
18 915 of this title. The election of an option must be made at any
19 time prior to retirement or prior to termination of service with a
20 vested benefit. A specific person must be designated as joint
21 annuitant at the time of election of Option A or B. Election of an
22 option is available with respect to the vested benefit. All
23 retirement benefits of a married member shall be paid pursuant to
24 the Option A plan or Option B plan as provided for in this section

1 unless the spouse of a member consents in writing for the benefits
2 to be paid as provided for in Section 915 of this title or pursuant
3 to ~~Option B or~~ Option C as provided for in this section.

4 (2) The amount of retirement benefit payable under an option
5 shall be based on the age and sex of the member and the age and sex
6 of the joint annuitant, and shall be such amount as to be the
7 actuarial equivalent of the retirement benefit otherwise payable
8 under Section 915 of this title.

9 (3) The retirement options are:

10 Option A. Joint and one-half to joint annuitant survivor. A
11 reduced retirement benefit is payable to the ~~retirant~~ retiree during
12 his or her lifetime with one-half (1/2) of that amount continued to
13 the joint annuitant during such joint annuitant's remaining
14 lifetime, if any, after the death of the ~~retirant~~ retiree. If the
15 named joint annuitant dies at any time after the member's retirement
16 date, but before the death of the ~~retirant~~ retiree, the ~~retirant~~
17 retiree shall return to the retirement benefit, including any post
18 retirement benefit increases the member would have received had the
19 member not selected Option A. The benefit shall be determined at
20 the date of death of the named joint annuitant or July 1, 1994,
21 whichever is later. This increase shall become effective the first
22 day of the month following the date of death of the named joint
23 annuitant or July 1, 1994, whichever is later, and shall be payable
24 for the ~~retirant's~~ retiree's remaining lifetime. The ~~retirant~~

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

9 Option B. Joint and survivor. A reduced retirement benefit is
10 payable to the ~~retirant~~ retiree during his or her lifetime with that
11 amount continued to the joint annuitant during the joint annuitant's
12 remaining lifetime, if any, after the death of the ~~retirant~~ retiree.
13 If the named joint annuitant dies at any time after the member's
14 retirement date, but before the death of the ~~retirant~~ retiree, the
15 ~~retirant~~ retiree shall return to the retirement benefit, including
16 any post retirement benefit increases the member would have received
17 had the member not selected Option B. The benefit shall be
18 determined at the date of death of the named joint annuitant or July
19 1, 1994, whichever is later. This increase shall become effective
20 the first day of the month following the date of death of the named
21 joint annuitant or July 1, 1994, whichever is later, and shall be
22 payable for the ~~retirant's~~ retiree's remaining lifetime. The
23 ~~retirant~~ retiree shall notify the Oklahoma Public Employees
24 Retirement System of the death of the named joint annuitant in

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

7 Option C. Life with ten (10) years certain. A reduced
8 retirement benefit is payable to the ~~retirant~~ retiree during his or
9 her lifetime and if the ~~retirant~~ retiree dies within the ten-year
10 certain period, measured from the commencement of retirement
11 benefits payments, such payments will be continued to the
12 beneficiary during the balance of the ten-year certain period. If
13 the ~~retirant~~ retiree dies within the ten-year certain period, and
14 there are no living designated beneficiaries, the person responsible
15 for the estate of the ~~retirant~~ retiree may elect for the estate to
16 be paid the benefits for the remainder of the term or to receive the
17 present value of the remaining benefit payments according to rules
18 adopted by the Board of Trustees of the System. If the ~~retirant~~
19 retiree predeceases a designated beneficiary within the ten-year
20 certain period, and the beneficiary dies after the beneficiary has
21 begun to receive benefits, the person responsible for the estate of
22 the beneficiary may elect for the estate to be paid the benefits for
23 the remainder of the term or to receive the present value of the
24

1 remaining benefit payments according to rules adopted by the Board
2 of Trustees of the System.

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

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

18 (6) Benefits payable to a joint annuitant shall accrue from the
19 first day of the month following the death of a member or ~~retirant~~
20 retiree and, in the case of Option A and Option B, shall end on the
21 last day of the month in which the joint annuitant dies.

22 SECTION 7. AMENDATORY 74 O.S. 2011, Section 932, is
23 amended to read as follows:

24

1 Section 932. Except for the member's name, age, amount of
2 contributions paid in, benefits being paid, amount of credited
3 service and any documents verifying credited service or benefits,
4 all information, documents and copies thereof contained in a
5 member's retirement file shall be given confidential treatment and
6 shall not be made public by the System without the prior written
7 consent of the member to which it pertains, but shall be subject to
8 subpoena or court order. Notwithstanding any provision to the
9 contrary, the System may release tax information returns of a
10 deceased member to a person acting in a fiduciary capacity on behalf
11 of the decedent or the decedent's estate for the purposes of filing
12 a tax return, a court-appointed personal representative or
13 administrator of the decedent's estate, the person responsible for
14 an intestate estate, a trustee of a valid trust document, the
15 decedent's prior attorney-in-fact, the spouse of the decedent, the
16 decedent's court-appointed guardian, or some other person acting on
17 behalf of the decedent.

18 SECTION 8. This act shall become effective November 1, 2021.
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1 Passed the House of Representatives the 2nd day of March, 2021.

2
3 _____
4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2021.

6
7
8 _____
9 Presiding Officer of the Senate