

**COMMITTEE AMENDMENT**

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB448 \_\_\_\_\_  
Of the printed Bill

Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Mark Lepak

Adopted: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

PROPOSED  
COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 448

By: Montgomery of the Senate  
and  
Lepak of the House

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to retirement benefits payment; amending 20 O.S. 2021, Section 1102C, which relates to the Uniform Retirement System for Justices and Judges; conforming language; providing that spousal consent is not required for certain election; amending 74 O.S. 2021, Sections 918 and 935.7, which relate to the Oklahoma Public Employees Retirement System; conforming language; providing that spousal consent is not required for certain election; authorizing that certain contributions be used as permitted by federal law; and providing an effective date.

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

SECTION 1. AMENDATORY 20 O.S. 2021, Section 1102C, is amended to read as follows:

Section 1102C. A. Except as otherwise provided for in this section and Section 1104.2 of this 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

1 it paid in the form stated in Section 1104 of this title. The  
2 election of an option must be made prior to the member's retirement  
3 date or to receipt of a benefit after termination of service with a  
4 vested benefit. A specific person must be designated as joint  
5 annuitant at the time of the election of Option A or B. Election of  
6 an option is available with respect to the vested benefit. All  
7 retirement benefits of a married member shall be paid pursuant to  
8 the Option A plan ~~or Option B plan~~ as provided for in this section  
9 unless the spouse of a member consents in writing for the unreduced  
10 benefits to be paid as provided for in Section 1104 of this title.  
11 The spouse of the member is not required to consent in writing to  
12 the election of the Option B plan by the member.

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 this title.

18 C. The retirement options are:

19 Option A. Joint and one-half to joint annuitant survivor. A  
20 reduced retirement benefit is payable to the retiree during his or  
21 her lifetime with one-half (1/2) of that amount continued to the  
22 joint annuitant during such joint annuitant's remaining lifetime, if  
23 any, after the death of the retiree. If the named joint annuitant  
24 dies at any time after the member's retirement date, but before the

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

16 Option B. Joint and survivor. A reduced retirement benefit is  
17 payable to the retiree during his or her lifetime with that amount  
18 continued to the joint annuitant during the joint annuitant's  
19 remaining lifetime, if any, after the death of the retiree. If the  
20 named joint annuitant dies at any time after the member's retirement  
21 date, but before the death of the retiree, the retiree shall return  
22 to the unreduced retirement benefit, including any ~~postretirement~~  
23 post-retirement benefit increases, the member would have received  
24 had the member not selected Option B. The benefit shall be

1 determined at the date of death of the named joint annuitant. This  
2 increase shall become effective the first day of the month following  
3 the date of death of the named joint annuitant, and shall be payable  
4 for the retiree's remaining lifetime. The retiree shall notify the  
5 Uniform Retirement System for Justices and Judges of the death of  
6 the named joint annuitant in writing. In the absence of such  
7 written notice being filed by the member notifying the Uniform  
8 Retirement System for Justices and Judges of the death of the named  
9 joint annuitant within six (6) months of the date of death, nothing  
10 in this subsection shall require the Uniform Retirement System for  
11 Justices and Judges to pay more than six (6) months of retrospective  
12 benefits increase.

13 D. If a member who is eligible to retire in accordance with the  
14 provisions of this section or Section 1104 of this title but is not  
15 actually retired or is eligible to vest or has elected a vested  
16 benefit dies, the member's spouse may elect to receive benefits as a  
17 joint annuitant under Option B, calculated as if the member retired  
18 on the date of death, in lieu of receiving the member's accumulated  
19 contributions. However, no benefits shall be payable before the  
20 date the deceased member would have met the requirements for a  
21 normal or early retirement. The provisions of this paragraph shall  
22 be applicable to a surviving spouse of a deceased member who died  
23 prior to ~~the effective date of this act~~ September 1, 2005, but only  
24 if no benefits or distributions have been previously paid.

1 SECTION 2. AMENDATORY 74 O.S. 2021, Section 918, is  
2 amended to read as follows:

3 Section 918. (1) Except as otherwise provided for in this  
4 section and Section 918.1 of this title, a member may elect to have  
5 the retirement benefit paid under one of the options provided in  
6 this section in lieu of having it paid in the form stated in Section  
7 915 of this title. The election of an option must be made at any  
8 time prior to retirement or prior to termination of service with a  
9 vested benefit. A specific person must be designated as joint  
10 annuitant at the time of election of Option A or B. Election of an  
11 option is available with respect to the vested benefit. All  
12 retirement benefits of a married member shall be paid pursuant to  
13 the Option A plan ~~or Option B plan~~ as provided for in this section  
14 unless the spouse of a member consents in writing for the benefits  
15 to be paid as provided for in Section 915 of this title or pursuant  
16 to Option C as provided for in this section. The spouse of the  
17 member is not required to consent in writing to the election of the  
18 Option B plan by the member.

19 (2) The amount of retirement benefit payable under an option  
20 shall be based on the age and sex of the member and the age and sex  
21 of the joint annuitant, and shall be such amount as to be the  
22 actuarial equivalent of the retirement benefit otherwise payable  
23 under Section 915 of this title.

24 (3) The retirement options are:

1       Option A. Joint and one-half to joint annuitant survivor. A  
2 reduced retirement benefit is payable to the retiree during his or  
3 her lifetime with one-half (1/2) of that amount continued to the  
4 joint annuitant during such joint annuitant's remaining lifetime, if  
5 any, after the death of the retiree. If the named joint annuitant  
6 dies at any time after the member's retirement date, but before the  
7 death of the retiree, the retiree shall return to the retirement  
8 benefit, including any post-retirement benefit increases the member  
9 would have received had the member not selected Option A. The  
10 benefit shall be determined at the date of death of the named joint  
11 annuitant or July 1, 1994, whichever is later. This increase shall  
12 become effective the first day of the month following the date of  
13 death of the named joint annuitant or July 1, 1994, whichever is  
14 later, and shall be payable for the retiree's remaining lifetime.  
15 The retiree shall notify the Oklahoma Public Employees Retirement  
16 System of the death of the named joint annuitant in writing. In the  
17 absence of the written notice being filed by the member notifying  
18 the Oklahoma Public Employees Retirement System of the death of the  
19 named joint annuitant within six (6) months of the date of death,  
20 nothing in this subsection shall require the Oklahoma Public  
21 Employees Retirement System to pay more than six (6) months of  
22 retrospective benefits increase.

23       Option B. Joint and survivor. A reduced retirement benefit is  
24 payable to the retiree during his or her lifetime with that amount

1 continued to the joint annuitant during the joint annuitant's  
2 remaining lifetime, if any, after the death of the retiree. If the  
3 named joint annuitant dies at any time after the member's retirement  
4 date, but before the death of the retiree, the retiree shall return  
5 to the retirement benefit, including any ~~post-retirement~~ post-  
6 retirement benefit increases the member would have received had the  
7 member not selected Option B. The benefit shall be determined at  
8 the date of death of the named joint annuitant or July 1, 1994,  
9 whichever is later. This increase shall become effective the first  
10 day of the month following the date of death of the named joint  
11 annuitant or July 1, 1994, whichever is later, and shall be payable  
12 for the retiree's remaining lifetime. The retiree shall notify the  
13 Oklahoma Public Employees Retirement System of the death of the  
14 named joint annuitant in writing. In the absence of such written  
15 notice being filed by the member notifying the Oklahoma Public  
16 Employees Retirement System of the death of the named joint  
17 annuitant within six (6) months of the date of death, nothing in  
18 this subsection shall require the Oklahoma Public Employees  
19 Retirement System to pay more than six (6) months of retrospective  
20 benefits increase.

21 Option C. Life with ten (10) years certain. A reduced  
22 retirement benefit is payable to the retiree during his or her  
23 lifetime and if the retiree dies within the ten-year certain period,  
24 measured from the commencement of retirement benefits payments, such



1 payments will be continued to the beneficiary during the balance of  
2 the ten-year certain period. If the retiree dies within the ten-  
3 year certain period, and there are no living designated  
4 beneficiaries, the person responsible for the estate of the retiree  
5 may elect for the estate to be paid the benefits for the remainder  
6 of the term or to receive the present value of the remaining benefit  
7 payments according to rules adopted by the Board of Trustees of the  
8 System. If the retiree predeceases a designated beneficiary within  
9 the ten-year certain period, and the beneficiary dies after the  
10 beneficiary has begun to receive benefits, the person responsible  
11 for the estate of the beneficiary may elect for the estate to be  
12 paid the benefits for the remainder of the term or to receive the  
13 present value of the remaining benefit payments according to rules  
14 adopted by the Board of Trustees of the System.

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

18 (5) If a member who is eligible to retire in accordance with  
19 the provisions of Section 914 of this title but is not actually  
20 retired or is eligible to vest or has elected a vested benefit dies,  
21 the member's spouse may elect to receive benefits as a joint  
22 annuitant under Option B calculated as if the member retired on the  
23 date of death, in lieu of receiving the member's accumulated  
24 contributions. However, no benefits shall be payable before the

1 date the deceased member would have met the requirements for a  
 2 normal or early retirement. The provisions of this paragraph shall  
 3 be applicable to a surviving spouse of a deceased member who died  
 4 prior to ~~the effective date of this act~~ July 1, 2002, but only if no  
 5 benefits or distributions have been previously paid.

6 (6) Benefits payable to a joint annuitant shall accrue from the  
 7 first day of the month following the death of a member or retiree  
 8 and, in the case of Option A and Option B, shall end on the last day  
 9 of the month in which the joint annuitant dies.

10 SECTION 3. AMENDATORY 74 O.S. 2021, Section 935.7, is  
 11 amended to read as follows:

12 Section 935.7 A. Participating employees shall at all times be  
 13 vested at one hundred percent (100%) of their accounts containing  
 14 solely their employee contributions, and the gains or losses on  
 15 these contributions. Participating employees will have investment  
 16 discretion over these accounts within the available options offered  
 17 by the Board.

18 B. Participating employees shall be vested with respect to the  
 19 employer matching amounts, and the gains or losses on these funds,  
 20 deposited into their defined contribution system account or accounts  
 21 according to the following schedule based on years of participating  
 22 service:

23	Year 1	20%
24	Year 2	40%

1	Year 3	60%
2	Year 4	80%
3	Year 5 and thereafter	100%

4 C. Participating employees will have investment discretion over  
5 all employer contributions.

6 D. For purposes of determining a participating employee's right  
7 to withdraw employer matching contributions and any investment gains  
8 upon such employer contribution matching amounts, the vesting  
9 percentages apply at the end of each full year of service as  
10 described in subsection B of this section.

11 E. For participating employees who do not select any investment  
12 options, the OPERS Board will establish default investment options  
13 for the contributions received from participating employees and  
14 default investment options for matching employer contributions.

15 F. To the extent that participants leave employment and have  
16 not vested in all of the employer contributions, the nonvested  
17 employer contributions, including any gains or losses, shall be  
18 immediately forfeited to the 401(a) plan and may be used to offset  
19 costs of administering the plan or as permitted by federal law.

20 Upon reemployment with an employer and satisfying the eligibility  
21 requirements to become a participant, the reemployed participant  
22 shall receive credit for previous service and be vested at the same  
23 percentage the participant was vested when service was previously

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1 terminated. However, under no circumstances shall the participant  
2 be entitled to any previously forfeited employer contributions.

3 SECTION 4. This act shall become effective November 1, 2023.

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