

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

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

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

- 20 a. the member's valid last will and testament, trust
21 documents or affidavit that a will does not exist,
22 b. an affidavit or affidavits of heirship which must
23 state:

24

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

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

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

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

21 c. a written agreement or agreements signed by all
22 claiming heirs of the deceased member which provides
23 that the claiming heirs release, discharge and hold
24 harmless the System from any and all liability,

1 obligations and costs which it may incur as a result
2 of making a payment to any of the deceased member's
3 heirs,

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

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

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

18 3. After paying any death benefits or unpaid contributions to
19 any claiming heirs as provided pursuant to this subsection, the
20 System is discharged and released from any and all liability,
21 obligation and costs to the same extent as if the System had dealt
22 with a personal representative of the deceased member. The System
23 is not required to inquire into the truth of any matter specified in
24 this subsection or into the payment of any estate tax liability.

1 C. ~~Death~~ The beneficiary or beneficiaries of death benefits
2 provided pursuant to this section may be assigned by the beneficiary
3 elect to disclaim the death benefits, in which case such benefits
4 shall be transferred to a person licensed as a funeral director or
5 to a lawfully recognized business entity licensed as required by law
6 to provide funeral services for the deceased member. The qualified
7 disclaimer shall be in writing and shall be an irrevocable and
8 unqualified refusal to accept all or a portion of the death benefit.
9 It shall be received by the transferor no more than nine (9) months
10 after the later of the day the transfer creating the interest in the
11 disclaiming person is made or the day the disclaiming person attains
12 age twenty-one (21). The interest in the death benefits shall pass
13 without direction by the disclaiming person to another person.
14 After paying death benefits to any beneficiary or the member's
15 estate pursuant to this subsection, the System shall be discharged
16 and released from any and all liability, obligation, and costs. The
17 System is not required to inquire into the truth of any matter
18 specified in this subsection or into the payment of any tax
19 liability.

20 SECTION 2. This act shall become effective November 1, 2025.

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22 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
23 03/04/2025 - DO PASS.
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