

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1348

By: Condit

AS INTRODUCED

An Act relating to the Teachers' Retirement System of Oklahoma; amending 70 O.S. 2011, Section 17-105, as last amended by Section 1, Chapter 129, O.S.L. 2016 (70 O.S. Supp. 2016, Section 17-105), which relates to retirement and death benefits; modifying death benefit amount for certain members; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 17-105, as last amended by Section 1, Chapter 129, O.S.L. 2016 (70 O.S. Supp. 2016, Section 17-105), is amended to read as follows:

Section 17-105. (1) (a) Any member who has attained age fifty-five (55) or who has completed thirty (30) years of creditable service, as defined in Section 17-101 of this title, or for any person who initially became a member prior to July 1, 1992, regardless of whether there were breaks in service after July 1, 1992, whose age and number of years of creditable service total eighty (80) may be retired upon proper application for retirement on forms established by the System and executing a retirement contract.

1 Such a retirement date will also apply to any person who became a
2 member of the sending system as defined in this act, prior to July
3 1, 1992, regardless of whether there were breaks in service after
4 July 1, 1992. Any person who became a member after June 30, 1992,
5 but prior to November 1, 2011, whose age and number of years of
6 creditable service total ninety (90) may be retired upon proper
7 application for retirement and executing a retirement contract. Any
8 person who becomes a member on or after November 1, 2011, who
9 attains the age of sixty-five (65) years or who reaches a normal
10 retirement date pursuant to subparagraph (d) of paragraph (24) of
11 Section 17-101 of this title having attained a minimum age of sixty
12 (60) years may be retired upon proper application for retirement and
13 executing a retirement contract. The application shall be filed on
14 the form provided by the Board of Trustees for this purpose, not
15 less than sixty (60) days before the date of retirement, provided
16 that the Executive Director may waive the sixty-day deadline for
17 good cause shown as defined by the Board.

18 1. The employer shall provide the System with the
19 following information for a retiring member, no later
20 than the fifteenth day of the month of retirement:
21 last day physically on the job; last day on payroll;
22 any regular compensation not already reported to the
23 System; and final unused sick leave balance.

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1 2. Failure to submit this information by the deadline, or
2 errors in submitted information that result in a
3 disqualification of retirement eligibility shall be
4 the responsibility of the employer. In cases where
5 the error results in disqualification of retirement
6 eligibility, it is the employer's responsibility to
7 reemploy the member, or retain the member on the
8 payroll, for the time period required to reach
9 eligibility, not exceeding two (2) months.

10 (b) An individual who becomes a member of the Teachers'
11 Retirement System after July 1, 1967, shall be employed by the
12 public schools, state colleges or universities of Oklahoma for a
13 minimum of five (5) years and be a contributing member of the
14 Teachers' Retirement System of Oklahoma for a minimum of five (5)
15 years to qualify for monthly retirement benefits from the Teachers'
16 Retirement System of Oklahoma.

17 (c) Any member with five (5) or more years of Oklahoma teaching
18 service and whose accumulated contributions during such period have
19 not been withdrawn shall be given an indefinite extension of
20 membership beginning with the sixth year following his or her last
21 contributing membership and shall become eligible to apply for
22 retirement and be retired upon attaining age fifty-five (55).

23 (2) An unclassified optional member who has retired or who
24 retires at sixty-two (62) years of age or older or whose retirement

1 is because of disability shall have his or her minimum retirement
2 benefits calculated on an average salary of Five Thousand Three
3 Hundred Fifty Dollars (\$5,350.00) or, if a larger monthly allowance
4 would result, an amount arrived at pursuant to application of the
5 formula prescribed herein.

6 (3) No member shall receive a lesser retirement benefit than he
7 or she would have received under the law in effect at the time he or
8 she retired. Any individual under the Teachers' Retirement System,
9 who through error in stating the title of the position which he or
10 she held, may, at the discretion of the Board of Trustees, be
11 changed from the nonclassified optional group to the classified
12 group for the purpose of calculating retirement benefits.

13 Any individual regardless of residence, who has a minimum of ten
14 (10) years of teaching in Oklahoma schools prior to July 1, 1943, or
15 who taught in Oklahoma schools prior to 1934 and thereafter taught a
16 minimum of ten (10) years and who does not qualify under the present
17 retirement System, or who has a minimum of thirty (30) years of
18 teaching in Oklahoma schools and has reached seventy (70) years of
19 age prior to July 1, 1984, and is not otherwise eligible to receive
20 any benefits from the retirement system shall receive a minimum of
21 One Hundred Fifty Dollars (\$150.00) per month in retirement benefits
22 from the Teachers' Retirement System of Oklahoma plus any general
23 increase in benefits for annuitants as may be provided hereafter by
24 the Legislature. Each individual must apply to the Teachers'

1 Retirement System for such benefit and provide evidence to the
2 Teachers' Retirement System that the service was actually rendered.
3 The surviving spouse of any person who made application for the
4 benefit provided for by this paragraph during his or her lifetime
5 but did not receive said benefit may submit an application to the
6 System for payment of said benefit for those months during the
7 lifetime of the deceased person that he or she was eligible for but
8 did not receive the benefit. Upon approval of the application by
9 the Board of Trustees, the benefit shall be paid to the surviving
10 spouse in one lump sum.

11 (4) The value of each year of prior service is the total
12 monthly retirement benefit divided by the number of years of
13 creditable service.

14 (5) Upon application of a member who is actively engaged in
15 teaching in Oklahoma or his or her employer, any member who has been
16 a contributing member for ten (10) years may be retired by the Board
17 of Trustees subsequent to the execution and filing thereof, on a
18 disability retirement allowance, provided that it is found by the
19 Board of Trustees after medical examination of such member by a duly
20 qualified physician that such member is mentally or physically
21 incapacitated for further performance of duty, that such incapacity
22 is likely to be permanent, and that such member should be retired.
23 The Board of Trustees shall give due consideration to the
24 conclusions and recommendations in the certified written report of

1 the Medical Board of the Teachers' Retirement System regarding the
2 disability application of such member. If a member is determined to
3 be eligible for disability benefits pursuant to the Social Security
4 System, then such determination shall entitle the member to the
5 authorized disability retirement allowance provided by law. For
6 members who are not eligible for disability benefits pursuant to the
7 Social Security System, the Board of Trustees shall apply the same
8 standard for which provision is made in the first two sentences of
9 this subsection for determining the eligibility of a person for such
10 disability benefits in making a determination of eligibility for
11 disability benefits as authorized by this subsection.

12 (6) (a) A member who at the time of retirement has been found
13 to be permanently physically or mentally incapacitated to teach
14 school shall receive a minimum monthly retirement payment for life
15 or until such time as the member may be found to be recovered to the
16 point where he or she may return to teaching. Any member retired
17 before July 1, 1992, shall be eligible to receive the monthly
18 retirement allowance herein provided, but such payment shall not
19 begin until the first payment due him or her after July 1, 1992, and
20 shall not be retroactive. The Board of Trustees is empowered to
21 make such rules and regulations as it considers proper to preserve
22 equity in retirements under this provision, which shall include a
23 provision to protect the rights of the member's spouse.

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1 (b) A member who has qualified for retirement benefits under
2 disability retirement shall have the total monthly payment deducted
3 from his or her accumulated contributions plus interest earned and
4 any money remaining in the member's account after the above
5 deductions at the death of the member shall be paid in a lump sum to
6 the beneficiary or to the estate of the member. Provided, if the
7 deceased disabled member had thirty (30) years or more of creditable
8 service and the death occurred after June 30, 1981, and death
9 occurred prior to the disabled member receiving twelve monthly
10 retirement payments, a surviving spouse may elect to receive the
11 retirement benefit to which the deceased member would have been
12 entitled at the time of death under the Option 2 Plan of Retirement
13 provided for in subsection (8) of this section in lieu of the death
14 benefit provided for in this subsection and in subsection (12) of
15 this section.

16 (c) Once each year the Board of Trustees may require any
17 disabled annuitant who has not yet attained the age of sixty (60)
18 years to undergo a medical examination, such examination to be made
19 at the place of residence for said disabled annuitant or other place
20 mutually agreed upon by a physician or physicians designated by the
21 Board of Trustees. Should any disabled annuitant who has not yet
22 attained the age of sixty (60) years refuse to submit to at least
23 one medical examination in any such year by a physician or
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1 physicians designated by the Board of Trustees his or her allowance
2 may be discontinued until he or she submits to such examination.

3 (d) Should the Medical Board report and certify to the Board of
4 Trustees that such disabled annuitant is engaged in or is able to
5 engage in a gainful occupation paying more than the difference
6 between his or her retirement allowance and the average final
7 compensation, and should the Board of Trustees concur in such report
8 then the amount of his or her pension shall be reduced to an amount
9 which, together with his or her retirement allowance and that amount
10 earnable by him or her, shall equal the amount of his or her average
11 final compensation. Should his or her earning capacity be later
12 increased, the amount of his or her pension may be further modified,
13 provided the new pension shall not exceed that amount of the pension
14 originally granted nor an amount, which when added to the amount
15 earnable by the member, together with his or her annuity, equals the
16 amount of his or her average final compensation.

17 (e) Should a disabled annuitant be restored to active service,
18 his or her disability retirement allowance shall cease and he or she
19 shall again become a member of the Teachers' Retirement System and
20 shall make regular contributions as required under this article.
21 The unused portion of his or her accumulated contributions shall be
22 reestablished to his or her credit in the Teachers' Savings Fund.
23 Any such prior service certificates on the basis of which his or her
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1 service was computed at the time of his or her retirement shall be
2 restored to full force and effect.

3 (7) Should a member before retirement under Section 1-101 et
4 seq. of this title make application for withdrawal duly filed with
5 the Board of Trustees and approved by it, not earlier than four (4)
6 months after the date of termination of such service as a teacher,
7 the contribution standing to the credit of his or her individual
8 account in the Teachers' Savings Fund shall be paid to him or her
9 or, in the event of his or her death before retirement, shall be
10 paid to such person or persons as he or she shall have nominated by
11 written designation, duly executed and filed with the Board of
12 Trustees; provided, however, if there be no designated beneficiary
13 surviving upon such death, such contributions shall be paid to his
14 or her administrators, executors, or assigns, together with interest
15 as hereinafter provided. In lieu of a lump-sum settlement at the
16 death of the member, the amount of money the member has on deposit
17 in the Teachers' Savings Fund and the money the member has on
18 deposit in the Teachers' Deposit Fund may be paid in monthly
19 payments to a designated beneficiary, who must be the spouse, under
20 the Maximum or Option 1 Plan of Retirement providing the monthly
21 payment shall be not less than Twenty-five Dollars (\$25.00) per
22 month. The monthly payment shall be the actuarial equivalent of the
23 amount becoming due at the member's death based on the sex of the
24 spouse and the age the spouse has attained at the last birthday

1 prior to the member's death. Provided further, if there be no
2 designated beneficiary surviving upon such death, and the
3 contributions standing to the credit of such member do not exceed
4 Two Hundred Dollars (\$200.00), no part of such contributions shall
5 be subject to the payment of any expense of the last illness or
6 funeral of the deceased member or any expense of administration of
7 the estate of such deceased and the Board of Trustees, upon
8 satisfactory proof of the death of such member and of the name or
9 names of the person or persons who would be entitled to receive such
10 contributions under the laws of descent and distribution of the
11 state, may authorize the payment of accumulated contributions to
12 such person or persons. A member terminating his or her membership
13 by withdrawal after June 30, 2003, shall have the interest computed
14 at a rate of interest determined by the Board of Trustees and paid
15 to him or her subject to the following schedule:

16 (a) If termination occurs within sixteen (16) years from the
17 date membership began, fifty percent (50%) of such interest
18 accumulations shall be paid.

19 (b) With at least sixteen (16) but less than twenty-one (21)
20 years of membership, sixty percent (60%) of such interest
21 accumulations shall be paid.

22 (c) With at least twenty-one (21) but less than twenty-six (26)
23 years of membership, seventy-five percent (75%) of such interest
24 accumulations shall be paid.

1 (d) With at least twenty-six (26) years of membership, ninety
2 percent (90%) of such interest accumulations shall be paid.

3 In case of death of an active member, the interest shall be
4 calculated and restored to the member's account and paid to his or
5 her beneficiary.

6 (8) (a) In lieu of his or her retirement allowance payable
7 throughout life for such an amount as determined under this section,
8 the member may select a retirement allowance for a reduced amount
9 payable under any of the following options the present value of
10 which is the actuarial equivalent thereof.

11 (b) A member may select the option under which he or she
12 desires to retire at the end of the school year in which he or she
13 attains age seventy (70) and said option shall be binding and cannot
14 be changed. Provided further that if a member retires before age
15 seventy (70), no election of an option shall be effective in case an
16 annuitant dies before the first payment due under such option has
17 been received.

18 (c) The first payment of any benefit selected shall be made on
19 the first day of the month following approval of the retirement by
20 the System. If the named designated beneficiary under Option 2 or 3
21 dies at any time after the member's retirement date, but before the
22 death of the member, the member shall return to the retirement
23 benefit, including any post retirement benefit increases the member
24 would have received had the member not selected Option 2 or 3 of

1 this subsection. The benefit shall be determined at the date of
2 death of the designated beneficiary or July 1, 1994, whichever is
3 later. This increase shall become effective the first day of the
4 month following the date of death of the designated beneficiary or
5 July 1, 1994, whichever is later, and shall be payable for the
6 member's remaining lifetime. The member shall notify the Teachers'
7 Retirement System of Oklahoma of the death of the designated
8 beneficiary in writing. In the absence of said written notice being
9 filed by the member notifying the Teachers' Retirement System of
10 Oklahoma of the death of the designated beneficiary within six (6)
11 months of the date of death, nothing in this subsection shall
12 require the Teachers' Retirement System of Oklahoma to pay more than
13 six (6) months of retrospective benefits increase.

14 Option 1. If he or she dies before he or she has received in
15 annuity payments the present value of his or her annuity as it was
16 at the time of his or her retirement, the balance shall be paid to
17 his or her legal representatives or to such person as he or she
18 shall nominate by written designation duly acknowledged and filed
19 with the Board of Trustees at the time of his or her retirement; or

20 Option 2. A member takes a reduced retirement allowance for
21 life. Upon the death of the member the payments shall continue to
22 the member's designated beneficiary for the life of the beneficiary.
23 The written designation of the beneficiary must be duly acknowledged
24 and filed with the Board of Trustees at the time of the member's

1 retirement and, except as provided in paragraph (e) of this
2 subsection, cannot be changed after the effective date of the
3 member's retirement; or

4 Option 3. A member receives a reduced retirement allowance for
5 life. Upon the death of the member one-half (1/2) of the retirement
6 allowance paid the member shall be continued throughout the life of
7 the designated beneficiary. A written designation of a beneficiary
8 must be duly acknowledged and filed with the Board of Trustees at
9 the time of the member's retirement and, except as provided in
10 paragraph (e) of this subsection, cannot be changed after the
11 effective date of the member's retirement; or

12 Option 4. Some other benefit or benefits shall be paid either
13 to the member or to such person or persons as he or she shall
14 nominate, provided such other benefit or benefits, together with the
15 reduced retirement allowance, shall be certified by the actuary to
16 be of equivalent actuarial value to his or her retirement allowance
17 and shall be approved by the Board of Trustees.

18 (d) Provided that Option 2 and Option 3 shall not be available
19 if the member's expected benefit is less than fifty percent (50%) of
20 the lump-sum actuarial equivalent and the designated beneficiary is
21 not the spouse of the member.

22 (e) A member who chose the maximum retirement benefit plan at
23 the time of retirement may make a one-time election to choose either
24 Option 2 or 3 and name the member's spouse as designated beneficiary

1 if the member marries after making the initial election. Such an
2 election shall be made by July 1, 2011, or within one (1) year of
3 the date of marriage, whichever is later. The member shall provide
4 proof of a member's good health before the Board of Trustees will
5 permit a change to either Option 2 or 3 and the naming of a
6 designated beneficiary. A medical examination conducted by a
7 licensed physician is required for purposes of determining good
8 health. Such examination must be approved by the Medical Board.
9 The member shall be required to provide proof of age for the new
10 beneficiary. The Board of Trustees shall adjust the monthly benefit
11 to the actuarially equivalent amount based on the new designated
12 beneficiary's age. The Board of Trustees shall promulgate rules to
13 implement the provisions of this subsection.

14 (f) A member who retires after the effective date of this act
15 and has selected a retirement allowance for a reduced amount payable
16 under one of the options provided for in this subsection may make a
17 one-time irrevocable election to select a different option within
18 sixty (60) days of the member's retirement date. The beneficiary
19 designated by the member at the time of retirement shall not be
20 changed if the member makes the election provided for in this
21 paragraph.

22 (g) Any individual who is eligible to be a beneficiary of a
23 member under this subsection, and who is also a beneficiary of a
24 trust created under the Oklahoma Discretionary and Special Needs

1 Trust Act, Section 175.81 et seq. of Title 60 of the Oklahoma
2 Statutes, or a comparable Trust Act created under the laws of
3 another state, hereinafter collectively referred to as "Trust Acts",
4 may be a beneficiary under this subsection by having the trustee of
5 the trust established for the benefit of that individual named as
6 the legal beneficiary under this subsection. The age of that
7 beneficiary shall be used for calculating any benefit payable to the
8 trust under this subsection. The beneficiary of such a trust shall
9 be treated as the beneficiary under this subsection except that
10 payments of any benefits due under this subsection shall be payable
11 to the lawfully appointed trustee of the trust. The obligation of
12 the System to pay the beneficiary under this subsection shall be
13 satisfied by payment to the trustee whom the System, in good faith,
14 believes to be the lawfully appointed trustee. Any conflict between
15 the statutes creating and governing the Teachers' Retirement System
16 in Section 17-101 et seq. of this title and the provisions of any
17 Trust Act referred to above shall be resolved in favor of the
18 statutes governing the System. If an eligible beneficiary is named
19 at the time of retirement, and becomes a beneficiary of a trust
20 under one of the Trust Acts described herein after that time, the
21 System will acknowledge the trust as the beneficiary upon the
22 submission of adequate documentation of the existence of the trust.
23 All other provisions of this subsection shall apply to these
24 subsequently created trusts.

1 (h) The Board of Trustees of the System may recognize other
2 trusts set up for the benefit of individuals otherwise eligible to
3 be named as a beneficiary under this subsection by administrative
4 rule if it can be done without undue additional administrative
5 expense of the System.

6 (9) The governing board of any "public school", as that term is
7 defined in Section 17-101 of this title, is hereby authorized and
8 empowered to pay additional retirement allowances or compensation to
9 any person who was in the employ of such public school for not less
10 than seven (7) school years preceding the date of his or her
11 retirement. Payments so made shall be a proper charge against the
12 current appropriation or appropriations of any such public school
13 for salaries for the fiscal year in which such payments are made.
14 Such payments shall be made in regular monthly installments in such
15 amounts as the governing board of any such public school, in its
16 judgment, shall determine to be reasonable and appropriate in view
17 of the length and type of service rendered by any such person to
18 such public school by which such person was employed at the time of
19 retirement. All such additional payments shall be uniform, based
20 upon the length of service and the type of services performed, to
21 persons formerly employed by such public school who have retired or
22 been retired in accordance with the provisions of Section 17-101 et
23 seq. of this title.

1 The governing board of any such public school may adopt rules
2 and regulations of general application outlining the terms and
3 conditions under which such additional retirement benefits shall be
4 paid, and all decisions of such board shall be final.

5 (10) In addition to the teachers' retirement herein provided,
6 teachers may voluntarily avail themselves of the Federal Social
7 Security Program upon a district basis.

8 (11) Upon the death of an in-service member, the System shall
9 pay to the designated beneficiary of the member or, if there is no
10 designated beneficiary or if the designated beneficiary predeceases
11 the member, to the estate of the member, the sum of Eighteen
12 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the
13 deceased member had ten (10) years or more of creditable service and
14 the death occurred after February 1, 1985, the member's designated
15 beneficiary may elect to receive the retirement benefit to which the
16 deceased member would have been entitled at the time of death under
17 the Option 2 plan of retirement in lieu of the death benefit
18 provided for in this subsection. Provided further, the option
19 provided in this subsection is only available when the member has
20 designated one individual as the designated beneficiary. The
21 beneficiary or beneficiaries of death benefits in the amount not to
22 exceed Eighteen Thousand Dollars (\$18,000.00), but exclusive of any
23 retirement benefit received by an electing beneficiary based upon
24 creditable service performed by the deceased member, which are

1 provided pursuant to this subsection may elect to disclaim such
2 death benefits in which case such benefits will be transferred to a
3 person licensed as a funeral director or to a lawfully recognized
4 business entity licensed as required by law to provide funeral
5 services for the deceased member. The qualified disclaimer must be
6 in writing and will be an irrevocable and an unqualified refusal to
7 accept all or a portion of the death benefit. It must be received
8 by the transferor no more than nine (9) months after the later of
9 the day the transfer creating the interest in the disclaiming person
10 is made or the day the disclaiming person attains age twenty-one
11 (21). The interest in the death benefits must pass without
12 direction by the disclaiming person to another person.

13 (12) Upon the death of an annuitant who has contributed to the
14 System, the retirement system shall pay to the designated
15 beneficiary of the annuitant or, if there is no designated
16 beneficiary or if the designated beneficiary predeceases the
17 annuitant, to the estate of the annuitant, the sum of ~~Five Thousand~~
18 ~~Dollars (\$5,000.00)~~ Seven Thousand Five Hundred Dollars (\$7,500.00)
19 as a death benefit. The beneficiary or beneficiaries of benefits
20 provided pursuant to this subsection may elect to disclaim such
21 death benefits in which case such benefits will be transferred to a
22 person licensed as a funeral director or to a lawfully recognized
23 business entity licensed as required by law to provide funeral
24 services for the deceased member. The qualified disclaimer must be

1 in writing and will be an irrevocable and an unqualified refusal to
2 accept all or a portion of the death benefit. It must be received
3 by the transferor no more than nine (9) months after the later of
4 the day the transfer creating the interest in the disclaiming person
5 is made or the day the disclaiming person attains age twenty-one
6 (21). The interest in the death benefits must pass without
7 direction by the disclaiming person to another person. The benefit
8 payable pursuant to this subsection shall be deemed, for purposes of
9 federal income taxation, as life insurance proceeds and not as a
10 death benefit if the Internal Revenue Service approves this
11 provision pursuant to a private letter ruling request which shall be
12 submitted by the board of trustees of the System for that purpose.

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

20 (a) Before any applicable probate procedure may be waived, the
21 System must be in receipt of the member's proof of death and the
22 following documents from those persons claiming to be the legal
23 heirs of the deceased member:

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- 1 1. The member's valid last will and testament, trust
2 documents or affidavit that a will does not exist;
- 3 2. An affidavit or affidavits of heirship which must
4 state:
 - 5 a. the names and signatures of all claiming heirs to
6 the deceased member's estate including the
7 claiming heirs' names, relationship to the
8 deceased, current addresses, tax I.D. numbers if
9 known and current telephone numbers,
 - 10 b. a statement or statements by the claiming heirs
11 that no application or petition for the
12 appointment of a personal representative is
13 pending or has been granted in any jurisdiction,
 - 14 c. a description of the personal property claimed,
15 (i.e., death benefit or unpaid contributions or
16 both) together with a statement that such
17 personal property is subject to probate,
 - 18 d. a statement by each individual claiming heir
19 identifying the amount of personal property that
20 the heir is claiming from the System, and that
21 the heir has been notified of, is aware of and
22 consents to the identified claims of all the
23 other claiming heirs of the deceased member
24 pending with the System;

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

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

11 5. Proof that all debts of the deceased member, including
12 payment of last sickness, hospital, medical, death,
13 funeral and burial expenses have been paid or provided
14 for.

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

22 (c) After paying any death benefits or unpaid contributions to
23 any claiming heirs as provided pursuant to this subsection, the
24 System is discharged and released from any and all liability,

1 obligation and costs to the same extent as if the System had dealt
2 with a personal representative of the deceased member. The System
3 is not required to inquire into the truth of any matter specified in
4 this subsection or into the payment of any estate tax liability.

5 (14) Upon the death of a retired member, the benefit payment
6 for the month in which the retired member died, if not previously
7 paid, shall be made to the beneficiary of the member or to the
8 member's estate if there is no beneficiary. Such benefit payment
9 shall be made in an amount equal to a full monthly benefit payment
10 regardless of the day of the month in which the retired member died.

11 SECTION 2. This act shall become effective July 1, 2017.

12 SECTION 3. It being immediately necessary for the preservation
13 of the public peace, health and safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

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17 56-1-5424 MAH 12/21/16

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December 27, 2016

Representative Donnie Condit
Room 52

Re: RBH No. 5424

RBH No. 5424 increases the death benefit for retired participants of the Oklahoma Teachers Retirement System to \$7,500 from \$5,000.

RBS No. 5424 is a retirement bill having a fiscal impact as defined by the Oklahoma Pension Legislation Analysis Act.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Thomas E. Cummins

Thomas E. Cummins, MAAA