

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 2516

By: McDaniel

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2011, Sections 913, as last amended by Section 111, Chapter 15, O.S.L. 2013, 913.4, as last amended by Section 2, Chapter 94, O.S.L. 2017 and 915, as last amended by Section 21, Chapter 297, O.S.L. 2016 (74 O.S. Supp. 2017, Sections 913, 913.4 and 915), which relate to service crediting and retirement benefit computations; requiring participating employers to make payment with respect to service credit based upon unused sick leave; modifying provisions related to certain early retirement benefit computations; modifying statutory reference; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 913, as last amended by Section 111, Chapter 15, O.S.L. 2013 (74 O.S. Supp. 2017, Section 913), is amended to read as follows:

Section 913. A. Prior service shall be credited as follows:

1. A member shall receive full credit for employment with any participating employer prior to the entry date of his or her employer whether or not continuous and whether or not he or she was

1 employed with a participating employer on such entry date, provided
2 that any member who has retired before the passage of Section 901 et
3 seq. of this title, shall not receive retirement benefits
4 retroactively for such prior service. Provided, that at such time
5 that an employer becomes a participating employer on or after
6 January 1, 1965, and before January 1, 1975, each member and each
7 retirant, upon making proper written application therefor, shall
8 receive prior service credit for service with such employer in the
9 same manner as if such participating employer had been a
10 participating employer on the date first eligible to become a
11 participating employer; and increased benefits attributable to such
12 increased prior service credit shall commence with the next monthly
13 benefit payment due following receipt and approval of such
14 application by the Board of Trustees. No prior service shall be
15 granted, however, for periods of service in which the employee made
16 contributions which he or she subsequently withdrew, unless he or
17 she has complied with the provisions of subsection (5) of Section
18 917 of this title. The burden of proof regarding prior service
19 shall be with the member and shall be documented in such manner as
20 the Board may direct;

21 2. Any member who was employed in an institution of higher
22 learning by a State Board of Regents or who was employed by an
23 Oklahoma school district prior to July 1, 1943, may receive prior
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1 service credit under this act for the period of time they were so
2 employed;

3 3. Any member who served in the Armed Forces of the United
4 States, as defined in paragraph (23) of Section 902 of this title,
5 prior to membership in the Oklahoma Public Employees Retirement
6 System shall be granted prior service credit, not to exceed five (5)
7 years, for those periods of active military service during which he
8 or she was a war veteran. For a member of the System hired on or
9 after July 1, 2003, if the military service credit authorized by
10 this paragraph is used to compute the retirement benefit of the
11 member and the member retires from the System, such military service
12 credit shall not be used to compute the retirement benefit in any
13 other retirement system created pursuant to the Oklahoma Statutes
14 and the member may receive credit for such service only in the
15 retirement system from which the member first retires;

16 4. An elective state, county, city or town official who is
17 ineligible for membership as a result of any applicable state law or
18 constitutional provision making him or her ineligible solely because
19 of his or her being such an official at the time of his or her
20 eligibility for membership at the time his or her employer becomes a
21 participating employer shall nevertheless not forfeit the prior
22 service credit to which he or she would be entitled except for such
23 ineligibility, provided that he or she either:

24

- 1 a. becomes an employee of a participating employer within
2 four (4) calendar months of the expiration of his or
3 her term of office current at the time of his or her
4 eligibility except for his or her being an elective
5 state or county official, or
- 6 b. within a period of four (4) years after the expiration
7 of his or her term of office current at the time of
8 his or her eligibility except for his or her being an
9 elective state or county official, is elected as a
10 state or county official and thereupon becomes a
11 member of the System, or
- 12 c. has completed ten (10) years of credited service as of
13 the date of his or her eligibility for membership
14 except for his or her being an elective state or
15 county official;

16 5. Beginning July 1, 1965, all employees of the Department of
17 Human Services shall participate in the Oklahoma Public Employees
18 Retirement System to the same extent as other employees of
19 participating employers in such System. Provided, that any employee
20 performing teaching services in the Oklahoma School for the Deaf or
21 the Oklahoma School for the Blind may elect to participate in the
22 Teachers' Retirement System of Oklahoma in lieu of the Oklahoma
23 Public Employees Retirement System; and any other employee at each
24 such institution or any other institution under the jurisdiction of

1 the Department of Human Services, participating in the Teachers'
2 Retirement System of Oklahoma, may elect to continue to participate
3 in such system in lieu of the Oklahoma Public Employees Retirement
4 System. All employees who shall have participated in the Teachers'
5 Retirement System of Oklahoma and not continuing therein shall have
6 the right to withdraw their membership from the Teachers' Retirement
7 System of Oklahoma on the same terms as other members withdrawing
8 from such System before retirement. Provided, all persons employed
9 at the Oklahoma School for the Blind and Oklahoma School for the
10 Deaf on June 30, 1965, who became subject to the Oklahoma Public
11 Employees Retirement System, on July 1, 1965, shall receive credit
12 for prior service and be eligible for participation, regardless of
13 age;

14 6. A member employed as a temporary employee by the Legislative
15 Service Bureau or its predecessors, the State Senate or the House of
16 Representatives for the full duration of a regular legislative
17 session prior to the member's eligibility for membership in the
18 System shall receive six (6) months of prior service credit for each
19 such full regular legislative session if the employee is employed by
20 the Legislative Service Bureau or its predecessors, the State Senate
21 or the House of Representatives as either a full-time or temporary
22 employee for a minimum of six (6) full regular legislative sessions
23 beginning January 1, 1983. For purposes of this subsection, the
24 determination of whether an employee is employed for the full

1 duration of a regular legislative session shall be made by the
2 Legislative Service Bureau if such employee is employed by the
3 Legislative Service Bureau, the State Senate if such employee is
4 employed by the State Senate, or by the House of Representatives if
5 such employee is employed by the House of Representatives;

6 7. A member of the System shall receive prior service credit
7 for any years of service after January 1, 1975, the member had with
8 a participating employer if the member is not receiving or eligible
9 to receive such prior service credit for the same time in any other
10 state or county retirement system authorized by law. To receive the
11 service credit, the member shall pay the amount determined by the
12 Board pursuant to Section 913.5 of this title; and

13 8. Any member who is a state employee and receives temporary
14 total disability benefits during the period of absence with a
15 participating employer due to a work-related injury or illness
16 incurred while engaged in a governmental function for said
17 participating employer pursuant to the Workers' Compensation Act
18 shall receive credit for participating service during said period of
19 absence subject to the following requirements:

- 20 a. the member was employed by the participating employer
21 immediately prior to and during the period of absence,
22 b. the member must notify the System in writing not later
23 than four (4) months after the member's return to his
24 or her job duties with the participating employer, or

1 termination of employment with the participating
2 employer, or termination of the temporary total
3 disability benefits, whichever is earlier, of the
4 member's desire to receive participating service
5 credit for the period of absence,

6 c. the participating employer must certify to the System
7 in writing the dates during which temporary total
8 disability benefits payments were paid to the member,
9 and

10 d. the member and the participating employer shall each
11 pay their respective contributions required for the
12 period of absence without interest within sixty (60)
13 days of invoicing by the System, or with interest of
14 seven and one-half percent (7 1/2%) compounded
15 annually if paid after said sixty (60) days.

16 B. Participating service shall be credited as follows:

17 1. A member shall receive credit for participating service with
18 a participating employer in accordance with the rules and
19 regulations established by the Board; provided, however, that a
20 member who is not a full-time employee shall receive prorated credit
21 for actual hours worked;

22 2. Leaves of absence shall not count as a break in continuous
23 employment provided the member leaves his or her accumulated
24 contribution on deposit with the fund; however, the leaves of

1 absence shall not be credited except that involuntary furloughs
2 established by Office of Management and Enterprise Services rules,
3 involuntary furloughs of employees of a district attorney conducted
4 in substantial compliance with the rules of the Office of Management
5 and Enterprise Services as certified by the District Attorneys
6 Council, involuntary furloughs of employees pursuant to a furlough
7 plan adopted by the President Pro Tempore of the Senate or the
8 Speaker of the House of Representatives as authorized in Section
9 840-5.1 of this title and involuntary furloughs of employees
10 authorized by the Oklahoma Supreme Court shall be credited;

11 3. Any member who has served in the Armed Forces of the United
12 States, as defined in paragraph (23) of Section 902 of this title,
13 shall be granted participating service for those periods of active
14 military service during which he or she was a war veteran provided
15 this service is immediately preceded by a period of employment with
16 a participating employer and is followed by return to employment as
17 an employee with the same or another participating employer within
18 ninety (90) days immediately following discharge from such military
19 service provided the member leaves his or her accumulated
20 contributions on deposit with the fund;

21 4. A period of total disability under the System immediately
22 followed by employment with a participating employer, shall not
23 count as a break in continuous employment; provided, that such
24 periods while not employed shall not be credited except that

1 involuntary furloughs established by Office of Management and
 2 Enterprise Services Rule 6.13, shall be credited;

3 5. Termination of employment with a participating employer
 4 followed by employment with the same or another participating
 5 employer within four (4) calendar months shall not constitute a
 6 break in continuous employment; provided, that such period while not
 7 employed shall not be credited as participating service;

8 6. Provided, however, that all employee contributions required
 9 by this act made by employees prior to June 30, 1977, will entitle
 10 the employee to additional years of participating service in
 11 accordance with the following schedule.

12 Employee accumulated contributions:

13	More than \$1.00 up to \$500	= 1 year participating service
14	More than \$500 up to \$1,000	= 2 years participating service
15	More than \$1,000 up to \$1,500	= 3 years participating service
16	More than \$1,500 up to \$2,000	= 4 years participating service
17	More than \$2,000	= 5 years participating service

18 In no event shall the employee be entitled to more than five (5)
 19 additional years of participating service as provided hereunder.

20 Provided further, that upon termination of employment prior to
 21 retirement, the accumulated contributions will be credited as above
 22 indicated to establish a vested benefit if so elected by any such
 23 employee; and

24

- 1 7. a. The total participating service credit of a member who
2 retires or terminates employment and elects a vested
3 benefit shall include not to exceed one hundred thirty
4 (130) days of unused sick leave accumulated subsequent
5 to August 1, 1959, during the member's employment with
6 any participating employer. Such credit shall be
7 added in terms of whole months. Twenty (20) days of
8 unused sick leave shall equal one (1) month for
9 purposes of participating service credit. If unused
10 sick leave entitles a member to an additional year of
11 service credit, the member's employer shall reimburse
12 the System for the cost of funding the additional
13 ~~reserve~~ benefit. For members who join the System on
14 or after November 1, 2012, if unused sick leave
15 entitles a member to any additional service credit,
16 the member's employer shall reimburse the System for
17 the cost of funding the additional benefit. Each
18 participating employer shall provide the System with
19 adequate and timely information necessary to determine
20 additional benefits and its cost under this paragraph.
21 This subparagraph shall apply to members retiring or
22 vesting on or after July 1, 1984.
- 23 b. For members who join the System on or after November
24 1, 2012, unused sick leave as set forth in

1 subparagraph a of this paragraph shall be credited at
2 the same rate but not used to round up to another
3 year. Instead, any additional months of unused sick
4 leave credit shall be added to other service credit
5 without rounding.

6 C. In determining the number of years of credited service, a
7 fractional year of six (6) months or more shall be considered as one
8 (1) year, and less than six (6) months shall be disregarded. For
9 members who join the System on or after November 1, 2012, the number
10 of years of credited service shall be based on actual years and full
11 months of credited service without rounding up or down.

12 D. A member may receive credit for those years of credited
13 service accumulated by the member while a member of the Oklahoma
14 Firefighters Pension and Retirement System, the Oklahoma Police
15 Pension and Retirement System, the Uniform Retirement System for
16 Justices and Judges, the Oklahoma Law Enforcement Retirement System,
17 or the Teachers' Retirement System of Oklahoma, if the member is not
18 receiving or eligible to receive retirement credit or benefits from
19 said service in any other public retirement system. To receive the
20 service credit, the member shall pay the amount determined by the
21 Board pursuant to Section 913.5 of this title.

22 E. A member may receive credit for those years of service
23 accumulated by the member as an elected official if the member is
24 not receiving or eligible to receive retirement credit or benefits

1 from said service in any public retirement system. Prior to January
2 1, 1991, to receive the service credit, the member shall pay to the
3 Board for each year of service purchased pursuant to this subsection
4 a sum equal to the employee and employer contribution rate that
5 would have been applicable to the member as determined by the Board
6 and interest of not to exceed five percent (5%), and effective
7 January 1, 1991, to receive the service credit, the member shall pay
8 the amount determined by the Board pursuant to Section 913.5 of this
9 title.

10 F. Effective December 12, 1994, and thereafter, a leave of
11 absence on account of a period of qualified military service in the
12 uniformed services of the United States within the meaning of
13 Section 414(u)(5) of the federal Internal Revenue Code, followed by
14 a return to employment with the participating employer within ninety
15 (90) days after completion of the period of service may be eligible
16 for credited service under this System. Notwithstanding any
17 provision of this plan to the contrary, contributions, benefits and
18 service credit with respect to qualified military service will be
19 allowed in accordance with Section 414(u) of the federal Internal
20 Revenue Code.

21 G. 1. An active member of the Oklahoma Public Employees
22 Retirement System may receive credit for those years of service
23 accumulated by the member while a member of the Teachers' Retirement
24 System of Oklahoma if:

- 1 a. the member is an active member of the Oklahoma Public
2 Employees Retirement System, and
- 3 b. the member provides notice to the Teachers' Retirement
4 System of Oklahoma and the Oklahoma Public Employees
5 Retirement System of the member's election to transfer
6 said retirement credit. The notice shall include a
7 list of the years to be transferred, and
- 8 c. the member is not receiving or eligible to receive
9 retirement credit or benefits from said service in any
10 other public retirement system, notwithstanding the
11 years of service sought to be transferred under this
12 subsection.

13 Members electing to take advantage of the transfer authorized by
14 this subsection who are receiving or eligible to receive retirement
15 credit or benefits from said service in any other public retirement
16 system shall have all service credit with the Teachers' Retirement
17 System of Oklahoma canceled which is not transferred to the Oklahoma
18 Public Employees Retirement System or used as a cash offset in such
19 a transfer pursuant to subparagraph d of paragraph 2 of this
20 subsection. Service credit transferred to the Teachers' Retirement
21 System of Oklahoma under this subsection shall also be canceled with
22 the Oklahoma Public Employees Retirement System.

1 2. For purposes of this subsection, the "sending system" shall
2 mean the Teachers' Retirement System of Oklahoma. The "receiving
3 system" shall mean the Oklahoma Public Employees Retirement System.

4 a. Within thirty (30) days notification of an intent to
5 transfer is received by the sending system, the
6 sending system shall, according to its own rules and
7 regulations:

8 (1) for members who have vested with the sending
9 system, determine the present value of the
10 member's earned benefits attributable to the
11 years of service sought to be transferred,
12 discounted according to the member's age at the
13 time of transfer and computed as of the earliest
14 age at which the member would be able to retire.
15 Said computation shall assume an unreduced
16 benefit and be computed using interest and
17 mortality assumptions consistent with the
18 actuarial assumptions adopted by the Board of
19 Trustees for purposes of preparing the annual
20 actuarial evaluation but shall not make any
21 projections regarding future salary. For vested
22 employees the sending system shall use the
23 product of this calculation for purposes of
24 determining the transfer fee to be paid by the

1 employee under subparagraph c of this paragraph
2 so long as it is greater than the product of the
3 calculation in this division, and

4 (2) determine the sum of the employee and employer
5 contributions applicable to the years of service
6 sought to be transferred plus interest consistent
7 with the actuarial assumptions adopted by the
8 Board of Trustees for purposes of preparing the
9 annual actuarial evaluation. For all nonvested
10 members, and for vested members if the product of
11 this calculation is greater than the product of
12 the calculation in division (1) of this
13 subparagraph, the sending system shall use the
14 product of this calculation for purposes of
15 determining the amount to be transferred by the
16 sending system under subparagraph c of this
17 paragraph and any transfer fee to be paid by the
18 members under subparagraph d of this paragraph.

19 b. Within thirty (30) days after notification of an
20 intent to transfer is received by the receiving
21 system, the receiving system shall determine,
22 according to the system's own rules and regulations,
23 the present value of the member's incremental
24 projected benefits discounted according to the

1 member's age at the time of the transfer. Incremental
2 projected benefits shall be the difference between the
3 projected benefit said member would receive without
4 transferring the service credit and the projected
5 benefit after transfer of service credit computed as
6 of the earliest age at which the member would be able
7 to retire. Said computation shall assume an unreduced
8 benefit and be computed using interest, salary
9 projections and mortality assumptions consistent with
10 the actuarial assumptions adopted by the Board of
11 Trustees for purposes of preparing the annual
12 actuarial evaluation.

- 13 c. The sending system shall, within sixty (60) days from
14 the date notification of an intent to transfer is
15 received by the sending system, transfer to the
16 receiving system the amount determined in subparagraph
17 a of this paragraph. Except, if the cost under
18 subparagraph a of this paragraph for the same years of
19 service to the sending system is greater than the
20 actuarial value of the incremental benefit in the
21 receiving system, as established in subparagraph b of
22 this paragraph, the sending system shall send the
23 receiving system an amount equal to the actuarial
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1 value of the incremental projected benefit in the
2 receiving system.

3 d. In order to receive the credit provided for in
4 paragraph 1 of this subsection, if the cost of the
5 actuarial value of the incremental benefit to the
6 receiving system is greater than the cost as
7 calculated under subparagraph a of this paragraph for
8 the same years of service to the sending system as
9 established in subparagraphs a and b of this
10 paragraph, the employee shall elect to:

11 (1) pay any difference to receive full credit for the
12 years sought to be transferred, or

13 (2) receive prorated service credit for only the
14 amount received from the Teachers' Retirement
15 System of Oklahoma pursuant to this subsection.

16 Such an election shall be made in writing, filed with
17 the System prior to receiving the credit provided for
18 in paragraph 1 of this subsection, and shall be
19 irrevocable.

20 3. Within sixty (60) days of successfully completing all of the
21 requirements for transfer under this subsection, the sending system
22 shall pay the receiving system any amount due under this subsection.
23 Within sixty (60) days of successfully completing all of the
24 requirements for transfer under this subsection, the member shall

1 pay the receiving system any amount due under this subsection. In
2 the event that the member is unable to pay the transfer fee provided
3 for in this subsection by the due date, the Board of Trustees of the
4 receiving system shall permit the member to amortize the transfer
5 fee over a period not to exceed sixty (60) months. Said payments
6 shall be made by payroll deductions unless the Board of Trustees
7 permits an alternate payment source. The amortization shall include
8 interest in an amount not to exceed the actuarially assumed interest
9 rate adopted by the Board of Trustees for investment earnings each
10 year. Any member who ceases to make payment, terminates, retires or
11 dies before completing the payments provided for in this section
12 shall receive prorated service credit for only those payments made,
13 unless the unpaid balance is paid by said member, his or her estate
14 or successor in interest within six (6) months after said member's
15 death, termination of employment or retirement, provided no
16 retirement benefits shall be payable until the unpaid balance is
17 paid, unless said member or beneficiary affirmatively waives the
18 additional six-month period in which to pay the unpaid balance.

19 4. Years of service transferred pursuant to this subsection
20 shall be used both in determining the member's retirement benefit
21 and in determining the years of service for retirement and/or
22 vesting purposes. Years of service rendered as a member of the
23 Teachers' Retirement System of Oklahoma prior to July 1, 1992, if
24 any, shall be deemed to be years of service rendered as a member of

1 the Oklahoma Public Employees Retirement System prior to July 1,
2 1992, and shall qualify such person as a member of the Oklahoma
3 Public Employees Retirement System before July 1, 1992.

4 5. Notwithstanding the requirements of Section 17-104 of Title
5 70 of the Oklahoma Statutes, members electing to take advantage of
6 the transfer authorized by this subsection who have withdrawn their
7 contributions from the sending system shall remit to the sending
8 system the amount of the accumulated contributions the member has
9 withdrawn plus simple interest of ten percent (10%) per annum prior
10 to making said election or the election shall be deemed invalid and
11 the transfer shall be canceled. If such an election is deemed
12 invalid and the transfer is canceled, the accumulated contribution
13 remitted to the sending system by the member who originally withdrew
14 their contributions shall be returned to the member. The member's
15 rights and obligations regarding any service credit reestablished in
16 the sending system due to a failure to satisfy the requirements of
17 this subsection shall be determined by the sending system in
18 accordance with Section 17-101 et seq. of Title 70 of the Oklahoma
19 Statutes.

20 6. If any member fails for any reason to satisfy the
21 requirements of this subsection, the election to transfer retirement
22 credit shall be void and of no effect, and any retirement credited
23 as a result of this transfer shall be canceled. If such retirement
24 credit is canceled, the years of canceled retirement credit which

1 were unsuccessfully transferred to the receiving system from the
2 sending system shall be reestablished in the sending system. The
3 member's rights and obligations regarding any retirement credit
4 reestablished in the sending system due to a failure to satisfy the
5 requirements of this subsection shall be determined by the sending
6 system in accordance with Section 17-101 et seq. of Title 70 of the
7 Oklahoma Statutes.

8 7. The Board of Trustees shall promulgate such rules as are
9 necessary to implement the provisions of this subsection.

10 H. 1. A member of the Teachers' Retirement System of Oklahoma
11 whose last service with the Teachers' Retirement System of Oklahoma
12 was with an entity or institution within The Oklahoma State System
13 of Higher Education, State Board of Education, State Board of Career
14 and Technology Education, Oklahoma Department of Career and
15 Technology Education, Oklahoma School of Science and Mathematics,
16 Oklahoma Center for the Advancement of Science and Technology, State
17 Department of Rehabilitation Services, Oklahoma State Regents for
18 Higher Education, Department of Corrections, State Department of
19 Education, Oklahoma Board of Private Vocational Schools, Board of
20 Regents of Oklahoma Colleges, Oklahoma Student Loan Authority, or
21 the Teachers' Retirement System of Oklahoma, may elect to receive
22 credit for those years of service accumulated by the member in the
23 Teachers' Retirement System of Oklahoma, pursuant to this
24 subsection. A member shall be eligible to elect to transfer credit

1 for such years of service from the Teachers' Retirement System of
2 Oklahoma to the Oklahoma Public Employees Retirement System if:

- 3 a. the member is an active member of the Oklahoma Public
4 Employees Retirement System,
- 5 b. the member provides notice to the Teachers' Retirement
6 System of Oklahoma and the Oklahoma Public Employees
7 Retirement System of the member's election to transfer
8 such retirement credit. The notice shall include a
9 list of the years to be transferred, and
- 10 c. the member is not receiving or eligible to receive
11 retirement credit or benefits from such service in any
12 other public retirement system, notwithstanding the
13 years of service sought to be transferred under this
14 subsection.

15 Members electing to take advantage of the transfer authorized by
16 this subsection shall have all service credit with the Teachers'
17 Retirement System of Oklahoma canceled which is transferred to the
18 Oklahoma Public Employees Retirement System.

19 2. For purposes of this subsection, the "sending system" shall
20 mean the Teachers' Retirement System of Oklahoma. The "receiving
21 system" shall mean the Oklahoma Public Employees Retirement System.
22 Within thirty (30) days after notification of an intent to transfer
23 is received by the sending system, the sending system shall,
24 according to its own rules, send to the receiving system all

1 employer and employee contributions made on behalf of the member
2 which were made to the sending system plus an additional amount of
3 earnings based on the actuarial assumed rate of the sending system.
4 Upon receipt of these contributions by the receiving system, the
5 receiving system shall give credit to the transferring member in an
6 amount equal to the years of service accrued in the sending system.

7 3. If the transferring member's normal retirement date
8 calculation is based upon the sum of the member's age and number of
9 years of credited service totaling eighty (80) in the sending
10 system, then the member shall retain such calculation in the
11 receiving system.

12 4. The Board of Trustees shall promulgate such rules as are
13 necessary to implement the provisions of this subsection.

14 I. A member of the System in the employment of the Governor,
15 the State Senate or the House of Representatives, on or after July
16 1, 1999, may make an election prior to December 31, 2000, which
17 shall be irrevocable and on a form prescribed for such purpose by
18 the System, to continue participation in the System upon becoming
19 employed by a participating employer of the Teachers' Retirement
20 System of Oklahoma. The Board shall promulgate all rules necessary
21 to implement the provisions of this subsection.

22 SECTION 2. AMENDATORY 74 O.S. 2011, Section 913.4, as
23 last amended by Section 2, Chapter 94, O.S.L. 2017 (74 O.S. Supp.
24 2017, Section 913.4), is amended to read as follows:

1 Section 913.4. A. 1. Except as otherwise provided in this
2 subsection, an elected official may elect to participate in the
3 System and if he or she elects to do so shall have the option of
4 participating at any one of the computation factors set forth in
5 paragraph 3 or 4 of this subsection and will receive retirement
6 benefits in accordance with the computation factor chosen. The
7 election on participation in the System must be in writing, must
8 specify the computation factor chosen, and must be filed with the
9 System within ninety (90) days after the elected official takes
10 office. The election to participate and the election of a
11 computation factor shall be irrevocable. Reelection to the same
12 office will not permit new elections. Failure of an elected
13 official to file such election form within the ninety-day period
14 shall be deemed an irrevocable election to participate in the System
15 at the maximum computation factor.

16 2. Contributions and benefits will be based upon the elected
17 official's annual compensation as defined in Section 902 of this
18 title. Employer and elected official contributions shall be
19 remitted at least monthly, or as the Board may otherwise provide, to
20 the System for deposit in the Oklahoma Public Employees Retirement
21 Fund. Effective July 1, 1994, and thereafter, the participating
22 employer shall contribute as provided in Section 920 of this title.

23 3. Except as provided in paragraph 4 of this subsection,
24 effective July 1, 1994, the computation factor selected and the

1 corresponding elected official contribution rate shall be as
 2 follows:

Elected official Contribution Rate	Computation Factor	Alternate Formula
4.5%	1.9%	\$12.50
6%	2.5%	\$20.00
7.5%	3.0%	\$25.00
8.5%	3.4%	\$27.50
9%	3.6%	\$30.00
10%	4.0%	\$40.00

11 4. Elected officials who are first elected or appointed to an
 12 elected office on or after November 1, 2010, shall elect a
 13 computation factor of either 1.9% or 4%. The elected official
 14 contribution rate for the 1.9% computation factor is currently 4.5%
 15 and the contribution rate for the 4% computation factor is currently
 16 10%. All other computation factors and contribution rates set forth
 17 in paragraph 3 of this subsection shall not be available to any
 18 person first elected or appointed to an elected office on or after
 19 November 1, 2010.

20 5. The contribution rate for elected officials who are first
 21 elected or appointed to an elected office on or after November 1,
 22 2011, shall be in the amount specified in paragraph (a) of
 23 subsection (1) of Section 919.1 of this title. The amount of the
 24 retirement benefit for elected officials who are first elected or

1 appointed to an elected office on or after November 1, 2011, shall
2 be based on the provisions of paragraph (1) of subsection A of
3 Section 915 of this title.

4 6. The computation factors and corresponding elected official
5 contribution rates provided for in paragraphs 3 and 4 of this
6 subsection shall be based on the entire compensation as an elected
7 official subject to the definition and maximum compensation levels
8 as set forth in paragraph (9) of Section 902 of this title.

9 7. Elected officials who are first elected or appointed on or
10 after November 1, 2011, shall also be eligible to make the election
11 of an alternate multiplier and contribution rate pursuant to
12 paragraph 2 of subsection A of Section 915 of this title.

13 8. A statewide elected official or legislator whose first
14 service as an elected official occurs on or after November 1, 2015,
15 shall become a participant in the defined contribution system
16 created by Sections ~~4~~ 935.1 through ~~11~~ 935.11 of this ~~act~~ title and
17 such elected official shall not accrue any service credit in the
18 defined benefit plan of the Oklahoma Public Employees Retirement
19 System created pursuant to Section 901 et seq. of this title.

20 B. The normal retirement date for an elected official shall be
21 the first day of the month coinciding with or following the
22 official's sixtieth birthday or the first day of the month
23 coinciding with or following the date at which the sum of the
24 elected official's age and number of years of credited service total

1 eighty (80). The normal retirement date for an elected official
 2 first elected or appointed to an elected office on or after November
 3 1, 2011, shall be the first day of the month coinciding with or
 4 following the official's sixty-fifth birthday or the date upon which
 5 the elected or appointed official attains the age of sixty-two (62)
 6 and who has at least ten (10) years of elected or appointed service.
 7 Any elected official first elected or appointed to an elected office
 8 before November 1, 2011, who has a minimum of ten (10) years'
 9 participating service may retire under the early retirement
 10 provisions of this act, including those electing a vested benefit
 11 and shall receive an adjustment of annual benefits in accordance
 12 with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
60	100%
59	94%
58	88%
57	82%
56	76%
55	70%

21 Any elected official first elected or appointed to an elected
 22 office on or after November 1, 2011, who has a minimum of ten (10)
 23 years' ~~participating~~ elected or appointed service may retire under
 24 the early retirement provisions of this act, including those

1 electing a vested benefit and shall receive an adjustment of annual
 2 benefits in accordance with the following percentage schedule:

	Age	Percentage of Normal Retirement Benefits
3	62	100%
4	61	93.33%
5	60	86.67%

6 C. 1. Any elected official shall receive annual benefits
 7 computed based upon the computation factor selected multiplied by
 8 the member's highest annual compensation received as an elected
 9 official prior to retirement or termination of employment multiplied
 10 by the number of years of credited service. No elected official
 11 shall retire using such highest annual compensation unless the
 12 elected official has made the required election and has paid the
 13 required contributions on such salary.
 14

15 2. The retirement benefit may be computed pursuant to the
 16 provisions of paragraph (1) of subsection A of Section 915 of this
 17 title if the benefit would be higher. Elected officials who have a
 18 vested benefit prior to July 1, 1980, may elect to receive annual
 19 benefits based on the alternate formula provided above. Such annual
 20 benefits shall be paid in equal monthly installments.
 21

22 3. Elected officials who become members of the Oklahoma Public
 23 Employees Retirement System on or after August 22, 2008, will
 24 receive retirement benefits in accordance with the computation

1 factor selected pursuant to subsection A of this section multiplied
2 by the member's highest annual compensation received as an elected
3 official and only for those years of credited service the member
4 served as an elected official. If such elected official has
5 participating service as a nonelected member, then such nonelected
6 service shall be computed separately pursuant to the provisions of
7 paragraph (1) of subsection A of Section 915 of this title with the
8 final benefit result added to the final benefit result for elected
9 service. In no event shall the elected official be entitled to
10 apply the computation factor selected pursuant to subsection A of
11 this section or the compensation received as an elected official to
12 the computation of nonelected service.

13 4. Elected officials who are first elected or appointed to an
14 elected office on or after August 22, 2008, may not receive a
15 maximum benefit greater than their single highest annual
16 compensation received as a member of the Oklahoma Public Employees
17 Retirement System.

18 D. Any elected official making an election to participate at a
19 computation factor less than the maximum and later selecting a
20 higher computation factor shall contribute to the System a sum equal
21 to the amount which the elected official would have contributed if
22 the elected official had made such election at the time the elected
23 official first became eligible, plus interest as determined by the
24 Board, in order to receive the additional benefits for all service

1 as an elected official; otherwise, the additional benefits shall be
2 applicable only to service for which the elected official pays the
3 appropriate percent of contributions to the System.

4 E. The surviving spouse of a deceased elected official who was
5 first elected or appointed to an elected office before November 1,
6 2011, and who has at least six (6) years of participating service
7 and the surviving spouse of a deceased elected official who was
8 first elected or appointed to an elected office on or after November
9 1, 2011, and who has at least eight (8) years of participating
10 service shall be entitled to receive survivor benefits in the amount
11 herein prescribed, if married to the decedent continuously for a
12 period of at least three (3) years immediately preceding the elected
13 official's death. Provided the elected official had met the service
14 requirements, survivor benefits shall be payable when the deceased
15 member would have met the requirements for normal or early
16 retirement. The amount of the benefits the surviving spouse may
17 receive shall be fifty percent (50%) of the amount of benefits the
18 deceased elected official was receiving or will be eligible to
19 receive. Elected officials may elect a retirement option as
20 provided in Section 918 of this title in lieu of the survivors
21 benefit provided above.

22 F. Any elected official who served in the Armed Forces of the
23 United States, as defined in paragraph (23) of Section 902 of this
24 title, prior to membership in the Oklahoma Public Employees

1 Retirement System shall be granted credited service of not to exceed
2 five (5) years for those periods of active military service during
3 which the elected official was a war veteran.

4 G. Anyone appointed or elected to an elected position after
5 July 1, 1990, shall not be eligible to receive benefits as provided
6 in this section until such person has participated as an elected
7 official for six (6) years. Anyone appointed or elected to an
8 elected position on or after November 1, 2011, shall not be eligible
9 to receive benefits as provided in this section until such person
10 has participated as an elected official for eight (8) years.

11 H. Elected officials who terminate participation in the System
12 and who have a minimum of six (6) years of participating service
13 shall be entitled to elect a vested benefit and shall be entitled to
14 the retirement options as provided in Section 918 of this title in
15 lieu of the survivors benefit provided in subsection E of this
16 section. Elected officials, first elected or appointed to an
17 elected office on or after November 1, 2011, who terminate
18 participation in the System and who have a minimum of eight (8)
19 years of participating service shall be entitled to elect a vested
20 benefit and shall be entitled to retirement options as provided in
21 Section 918 of this title in lieu of the survivors benefits provided
22 in subsection E of this section.

23 I. In determining the number of years of credited service, a
24 fractional year of six (6) months or more shall be considered as one

1 (1) year, and less than six (6) months or more shall be disregarded.
2 For members who joined the System on or after November 1, 2011, the
3 number of years of credited service shall be based on actual years
4 and months of credited service without rounding up or down.

5 SECTION 3. AMENDATORY 74 O.S. 2011, Section 915, as last
6 amended by Section 21, Chapter 297, O.S.L. 2016 (74 O.S. Supp. 2017,
7 Section 915), is amended to read as follows:

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

18 (2) Effective January 1, 2004, except as otherwise provided for
19 elected officials in Section 913.4 of this title and except for
20 those members making contributions pursuant to paragraphs (c), (d),
21 and (e) of subsection (1) of Section 919.1 of this title, any member
22 who shall retire shall be entitled to receive an annual retirement
23 benefit equal to two and one-half percent (2 1/2%) of the member's
24 final average compensation as determined pursuant to paragraph (18)

1 of Section 902 of this title, multiplied by the number of full years
2 of participating service after January 1, 2004, that have been
3 credited to the member in accordance with the provisions of Section
4 913 of this title and only for those full years of participating
5 service for which contributions have been made pursuant to paragraph
6 ~~(e)~~ (f) of subsection (1) of Section 919.1 of this title. The two
7 and one-half percent (2 1/2%) multiplier shall not apply to
8 purchased service, purchased or granted military service or
9 transferred service. In order to receive the two and one-half
10 percent (2 1/2%) multiplier in computing retirement benefits, an
11 active member shall make an irrevocable written election to pay the
12 contributions pursuant to paragraph (f) of subsection (1) of Section
13 919.1 of this title. The two and one-half percent (2 1/2%)
14 multiplier pursuant to this paragraph shall not apply to additional
15 years of service credit attributed to sick leave pursuant to
16 paragraph 7 of subsection B of Section 913 of this title and
17 fractional years pursuant to subsection C of Section 913 of this
18 title and shall be attributable only to the participating service
19 credited after the election of the member.

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

22 a. and who had twenty (20) or more years of credited
23 service within the System as of the member's
24

- 1 retirement date shall be no less than Thirteen
2 Thousand Eight Hundred Dollars (\$13,800.00) per annum,
3 b. and who had at least fifteen (15) but not more than
4 nineteen (19) years of credited service within the
5 System as of the member's retirement date shall be no
6 less than Six Thousand Nine Hundred Dollars
7 (\$6,900.00) per annum,
8 c. and who had less than fifteen (15) years of credited
9 service within the System as of the member's
10 retirement date shall not be eligible for any minimum
11 amount of final average compensation and the member's
12 final average compensation shall be the final average
13 compensation as defined by paragraph (18) of Section
14 902 of this title.

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

21 (5) Any member who is a correctional officer or a probation and
22 parole officer employed by the Department of Corrections at the time
23 of retirement and who retires on or before June 30, 2000, shall be
24 entitled to receive an annual retirement benefit equal to two and

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

1 Section 919.1 of this title, on or before June 30, 2000, but who
2 does not make such contributions after June 30, 2000, and who does
3 not qualify for normal retirement under subparagraph (c) of
4 paragraph (24) of Section 902 of this title shall have retirement
5 benefits for each year of full-time-equivalent participating service
6 as a correctional or a probation and parole officer after July 1,
7 1990, computed on two and one-half percent (2 1/2%) of the final
8 average compensation based upon those years as a correctional
9 officer or a probation and parole officer. Provided, further, any
10 fugitive apprehension agent shall be entitled to receive benefits as
11 outlined in this act for service as a fugitive apprehension agent
12 prior to July 1, 2002, only upon payment to the System of the
13 employee contributions which would have been paid if such fugitive
14 apprehension agent had been covered by this section prior to the
15 effective date of this act, plus interest of not to exceed ten
16 percent (10%) as determined by the Board. The Department of
17 Corrections may make the employee contribution and interest payment
18 on behalf of such member.

19 (6) Any member who is a correctional officer, a probation and
20 parole officer or a fugitive apprehension agent employed by the
21 Department of Corrections at the time of retirement and who retires
22 on or after July 1, 2002, shall be entitled to receive an annual
23 retirement benefit equal to two and one-half percent (2 1/2%) of the
24 final average compensation of the member, but not exceeding the

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

1 participating service immediately preceding retirement or
2 termination of employment, with respect to members whose first
3 participating service occurs on or after July 1, 2013.

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

1 annual salary, in the manner prescribed by paragraph (18) of Section
2 902 of this title, for the highest three (3) years of the last ten
3 (10) years of participating service immediately preceding retirement
4 or termination of employment for all years of service performed by
5 such member with the Department. "Final average compensation" shall
6 be determined by computing the average annual salary for the highest
7 five (5) of the last ten (10) years of participating service
8 immediately preceding retirement or termination of employment, with
9 respect to members whose first participating service occurs on or
10 after July 1, 2013.

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

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

1 participating service occurs on or after the effective date of this
2 act.

3 (9) Any member who is:

4 a. initially on or after July 1, 2002, employed as a
5 firefighter for the Oklahoma Military Department and
6 who retires on or after the member's normal retirement
7 date shall be entitled to receive an annual retirement
8 benefit equal to two and one-half percent (2 1/2%) of
9 the final average compensation of the member
10 multiplied by the number of years of service in such
11 service,

12 b. (1) a firefighter who performs firefighting services
13 for the Oklahoma Military Department prior to
14 July 1, 2002, and who makes an election in
15 writing on a form prescribed for this purpose by
16 the System not later than December 31, 2002,
17 shall be entitled to receive a retirement benefit
18 based upon two and one-half percent (2 1/2%) of
19 the final average compensation of the member
20 multiplied by the number of years of service as a
21 firefighter with the Oklahoma Military Department
22 on or after July 1, 2002. The election
23 authorized by this subdivision shall be
24

1 irrevocable once the election is filed with the
2 System,

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

21 (10) Upon death of a retirant, there shall be paid to his
22 beneficiary an amount equal to the excess, if any, of his
23 accumulated contributions over the sum of all retirement benefit
24 payments made.

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

5 (12) Pursuant to the rules established by the Board, a retiree
6 receiving monthly benefits from the System may authorize warrant
7 deductions for any products currently offered to active state
8 employees through the Employees Benefits Council, provided that
9 product is offered to state retirees as a group and has a minimum
10 participation of five hundred state retirees. The System has no
11 responsibility for the marketing, enrolling or administration of
12 such products, but shall retain a processing fee of two percent (2%)
13 of the gross deductions for the products. Retirement benefit
14 deductions shall be made for membership dues for any statewide
15 association for which payroll deductions are authorized pursuant to
16 subsection B of Section 34.70 of Title 62 of the Oklahoma Statutes
17 for retired members of any state-supported retirement system, upon
18 proper authorization given by the member to the board from which the
19 member or beneficiary is currently receiving retirement benefits.

20 B. A member shall be considered disabled if such member
21 qualifies for the payment of Social Security disability benefits, or
22 the payment of benefits pursuant to the Railroad Retirement Act of
23 1974, Section 231 et seq. of Title 45 of the United States Code, and
24 shall be eligible for benefits hereunder upon proof of such

1 disability, provided such member is an active regularly scheduled
2 employee with a participating employer at the time of injury or
3 inception of illness or disease resulting in subsequent
4 certification of eligibility for Social Security disability benefits
5 by reason of such injury, illness or disease, providing such
6 disability is certified by the Social Security Administration within
7 one (1) year after the last date physically on the job and after
8 completion of at least eight (8) years of participating service or
9 combined prior and participating service or resulting in subsequent
10 certification of eligibility of disability by the Railroad
11 Retirement Board providing such certification is made by the
12 Railroad Retirement Board within one (1) year after the last date
13 physically on the job and after completion of at least eight (8)
14 years of participating service or combined prior and participating
15 service. The member shall submit to the Retirement System the
16 Social Security Award Notice or the Railroad Retirement Award Notice
17 certifying the date of entitlement for disability benefits, as
18 issued by the Social Security Administration, Department of Health
19 and Human Services or the Railroad Retirement Board. Disability
20 benefits shall become effective on the date of entitlement as
21 established by the Social Security Administration or the Railroad
22 Retirement Board, but not before the first day of the month
23 following removal from the payroll, whichever is later, and final
24 approval by the Retirement System. Benefits shall be based upon

1 length of service and compensation as of the date of disability,
2 without actuarial reduction because of commencement prior to the
3 normal retirement date. The only optional form of benefit payment
4 available for disability benefits is Option A as provided for in
5 Section 918 of this title. Option A must be elected in accordance
6 with the provisions of Section 918 of this title. Benefit payments
7 shall cease upon the member's recovery from disability prior to the
8 normal retirement date. Future benefits, if any, shall be paid
9 based upon length of service and compensation as of the date of
10 disability. In the event that disability ceases and the member
11 returns to employment within the System credited service to the date
12 of disability shall be restored, and future benefits shall be
13 determined accordingly.

14 C. A member who incurred a disability pursuant to subsection B
15 of this section on or after July 1, 1999, and who has retired from
16 the System with an early retirement benefit pending certification
17 from the Social Security Administration or the Railroad Retirement
18 Board shall receive a retirement benefit not less than the
19 disability retirement benefit provided by subsection B of this
20 section once the System receives a Social Security Award Notice or a
21 Railroad Retirement Award Notice pursuant to subsection B of this
22 section and a completed Application for Disability Benefits. In
23 addition, such member shall receive the difference, if any, between
24 the early retirement benefit and the disability benefit from the

1 date the Social Security Administration or the Railroad Retirement
2 Board establishes disability entitlement.

3 D. Any actively participating member of the System on or after
4 July 1, 1998, except for those employees provided in subparagraph
5 (e) of paragraph (14) of Section 902 of this title, whose employment
6 is less than full-time, shall have his or her final average
7 compensation calculated on an annualized basis using his or her
8 hourly wage subject to the maximum compensation limits; provided,
9 however, any such member who has at least three (3) years of full-
10 time employment during the last ten (10) years immediately preceding
11 termination or retirement shall not be eligible for the
12 annualization provisions contained herein. The Board of Trustees
13 shall promulgate such administrative rules as are necessary to
14 implement the provisions of this subsection.

15 SECTION 4. This act shall become effective November 1, 2018.

16

17 56-2-9741 MAH 02/14/18

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