

1 **SENATE FLOOR VERSION**

2 February 7, 2023

3 SENATE BILL NO. 448

By: Montgomery

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5
6 An Act relating to retirement benefits payment;
7 amending 20 O.S. 2021, Section 1102C, which relates
8 to payment to members of the Uniform Retirement
9 System for Justices and Judges; conforming language;
10 amending 74 O.S. 2021, Section 918, which relates to
11 payment to members of the Oklahoma Public Employees
12 Retirement System; conforming language; and providing
13 an effective date.

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

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

17 Section 1102C. A. Except as otherwise provided for in this
18 section and Section 1104.2 of this title, members who join the
19 Uniform Retirement System for Justices and Judges on September 1,
20 2005, or thereafter, may elect to have the retirement benefit paid
21 under one of the options provided in this section in lieu of having
22 it paid in the form stated in Section 1104 of this title. The
23 election of an option must be made prior to the member's retirement
24 date or to receipt of a benefit after termination of service with a
vested benefit. A specific person must be designated as joint
annuitant at the time of the election of Option A or B. Election of

1 an option is available with respect to the vested benefit. All
2 retirement benefits of a married member shall be paid pursuant to
3 the Option A plan ~~or Option B plan~~ as provided for in this section
4 unless the spouse of a member consents in writing for the unreduced
5 benefits to be paid as provided for in Section 1104 of this title.
6 The spouse of the member is not required to consent in writing to
7 the election of the Option B plan by the member.

8 B. The amount of retirement benefit payable under an option
9 shall be based on the age and sex of the member and the age and sex
10 of the joint annuitant at the retirement date, and shall be such
11 amount as to be the actuarial equivalent of the retirement benefit
12 otherwise payable under Section 1104 of this title.

13 C. The retirement options are:

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

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

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

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

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

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

22 Section 918. (1) Except as otherwise provided for in this
23 section and Section 918.1 of this title, a member may elect to have
24 the retirement benefit paid under one of the options provided in

1 this section in lieu of having it paid in the form stated in Section
2 915 of this title. The election of an option must be made at any
3 time prior to retirement or prior to termination of service with a
4 vested benefit. A specific person must be designated as joint
5 annuitant at the time of election of Option A or B. Election of an
6 option is available with respect to the vested benefit. All
7 retirement benefits of a married member shall be paid pursuant to
8 the Option A plan ~~or Option B plan~~ as provided for in this section
9 unless the spouse of a member consents in writing for the benefits
10 to be paid as provided for in Section 915 of this title or pursuant
11 to Option C as provided for in this section. The spouse of the
12 member is not required to consent in writing to the election of the
13 Option B plan by the member.

14 (2) The amount of retirement benefit payable under an option
15 shall be based on the age and sex of the member and the age and sex
16 of the joint annuitant, and shall be such amount as to be the
17 actuarial equivalent of the retirement benefit otherwise payable
18 under Section 915 of this title.

19 (3) The retirement options are:

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

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

18 Option B. Joint and survivor. A reduced retirement benefit is
19 payable to the retiree during his or her lifetime with that amount
20 continued to the joint annuitant during the joint annuitant's
21 remaining lifetime, if any, after the death of the retiree. If the
22 named joint annuitant dies at any time after the member's retirement
23 date, but before the death of the retiree, the retiree shall return
24 to the retirement benefit, including any ~~post-retirement~~ post-

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

16 Option C. Life with ten (10) years certain. A reduced
17 retirement benefit is payable to the retiree during his or her
18 lifetime and if the retiree dies within the ten-year certain period,
19 measured from the commencement of retirement benefits payments, such
20 payments will be continued to the beneficiary during the balance of
21 the ten-year certain period. If the retiree dies within the ten-
22 year certain period, and there are no living designated
23 beneficiaries, the person responsible for the estate of the retiree
24 may elect for the estate to be paid the benefits for the remainder

1 of the term or to receive the present value of the remaining benefit
2 payments according to rules adopted by the Board of Trustees of the
3 System. If the retiree predeceases a designated beneficiary within
4 the ten-year certain period, and the beneficiary dies after the
5 beneficiary has begun to receive benefits, the person responsible
6 for the estate of the beneficiary may elect for the estate to be
7 paid the benefits for the remainder of the term or to receive the
8 present value of the remaining benefit payments according to rules
9 adopted by the Board of Trustees of the System.

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

13 (5) If a member who is eligible to retire in accordance with
14 the provisions of Section 914 of this title but is not actually
15 retired or is eligible to vest or has elected a vested benefit dies,
16 the member's spouse may elect to receive benefits as a joint
17 annuitant under Option B calculated as if the member retired on the
18 date of death, in lieu of receiving the member's accumulated
19 contributions. However, no benefits shall be payable before the
20 date the deceased member would have met the requirements for a
21 normal or early retirement. The provisions of this paragraph shall
22 be applicable to a surviving spouse of a deceased member who died
23 prior to ~~the effective date of this act~~ July 1, 2002, but only if no
24 benefits or distributions have been previously paid.

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

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

6 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
7 February 7, 2023 - DO PASS
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