1	ENGROSSED HOUSE AMENDMENT TO
2	ENGROSSED SENATE BILL NO. 448 By: Montgomery of the Senate
3	and
4	Lepak of the House
5	
6	
7	An Act relating to retirement benefits payment;
8	amending 20 O.S. 2021, Section 1102C, which relates to payment to members of the Uniform Retirement
9	System for Justices and Judges; conforming language; amending 74 O.S. 2021, Section 918, which relates to
10	payment to members of the Oklahoma Public Employees Retirement System; conforming language; and providing
11	an effective date.
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15	AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill and insert:
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17	"An Act relating to retirement benefits payment; amending 20 O.S. 2021, Section 1102C, which relates
18	to the Uniform Retirement System for Justices and Judges; conforming language; providing that spousal
19	consent is not required for certain election; amending 74 O.S. 2021, Sections 918 and 935.7, which
20	relate to the Oklahoma Public Employees Retirement System; conforming language; providing that spousal
21	consent is not required for certain election;
22	authorizing that certain contributions be used as permitted by federal law; and providing an effective
23	date.
24	

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

2 SECTION 1. AMENDATORY 20 O.S. 2021, Section 1102C, is 3 amended to read as follows:

Section 1102C. A. Except as otherwise provided for in this 4 5 section and Section 1104.2 of this title, members who join the Uniform Retirement System for Justices and Judges on September 1, 6 2005, or thereafter, may elect to have the retirement benefit paid 7 under one of the options provided in this section in lieu of having 8 9 it paid in the form stated in Section 1104 of this title. The 10 election of an option must be made prior to the member's retirement date or to receipt of a benefit after termination of service with a 11 12 vested benefit. A specific person must be designated as joint 13 annuitant at the time of the election of Option A or B. Election of 14 an option is available with respect to the vested benefit. All 15 retirement benefits of a married member shall be paid pursuant to 16 the Option A plan or Option B plan as provided for in this section 17 unless the spouse of a member consents in writing for the unreduced 18 benefits to be paid as provided for in Section 1104 of this title. 19 The spouse of the member is not required to consent in writing to 20 the election of the Option B plan by the member.

B. The amount of retirement benefit payable under an option shall be based on the age and sex of the member and the age and sex of the joint annuitant at the retirement date, and shall be such

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amount as to be the actuarial equivalent of the retirement benefit
 otherwise payable under Section 1104 of this title.

3

C. The retirement options are:

Option A. Joint and one-half to joint annuitant survivor. 4 Α 5 reduced retirement benefit is payable to the retiree during his or her lifetime with one-half (1/2) of that amount continued to the 6 7 joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retiree. If the named joint annuitant 8 9 dies at any time after the member's retirement date, but before the death of the retiree, the retiree shall return to the unreduced 10 11 retirement benefit, including any postretirement post-retirement 12 benefit increases, the member would have received had the member not 13 selected Option A. The benefit shall be determined at the date of 14 death of the named joint annuitant. This increase shall become 15 effective the first day of the month following the date of death of 16 the named joint annuitant, and shall be payable for the retiree's 17 remaining lifetime. The retiree shall notify the Uniform Retirement 18 System for Justices and Judges of the death of the named joint 19 annuitant in writing. In the absence of the written notice being 20 filed by the member notifying the Uniform Retirement System for 21 Justices and Judges of the death of the named joint annuitant within 22 six (6) months of the date of death, nothing in this subsection 23 shall require the Uniform Retirement System for Justices and Judges 24 to pay more than six (6) months of retrospective benefits increase.

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

D. If a member who is eligible to retire in accordance with the provisions of this section or Section 1104 of this title but is not actually retired or is eligible to vest or has elected a vested

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1 benefit dies, the member's spouse may elect to receive benefits as a joint annuitant under Option B, calculated as if the member retired 2 on the date of death, in lieu of receiving the member's accumulated 3 4 contributions. However, no benefits shall be payable before the 5 date the deceased member would have met the requirements for a normal or early retirement. The provisions of this paragraph shall 6 be applicable to a surviving spouse of a deceased member who died 7 prior to the effective date of this act September 1, 2005, but only 8 9 if no benefits or distributions have been previously paid.

10 SECTION 2. AMENDATORY 74 O.S. 2021, Section 918, is 11 amended to read as follows:

12 Section 918. (1) Except as otherwise provided for in this 13 section and Section 918.1 of this title, a member may elect to have 14 the retirement benefit paid under one of the options provided in 15 this section in lieu of having it paid in the form stated in Section 16 915 of this title. The election of an option must be made at any 17 time prior to retirement or prior to termination of service with a 18 vested benefit. A specific person must be designated as joint 19 annuitant at the time of election of Option A or B. Election of an 20 option is available with respect to the vested benefit. All 21 retirement benefits of a married member shall be paid pursuant to 22 the Option A plan or Option B plan as provided for in this section 23 unless the spouse of a member consents in writing for the benefits 24 to be paid as provided for in Section 915 of this title or pursuant

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1 to Option C as provided for in this section. <u>The spouse of the</u>
2 <u>member is not required to consent in writing to the election of the</u>
3 Option B plan by the member.

4 (2) The amount of retirement benefit payable under an option
5 shall be based on the age and sex of the member and the age and sex
6 of the joint annuitant, and shall be such amount as to be the
7 actuarial equivalent of the retirement benefit otherwise payable
8 under Section 915 of this title.

9

(3) The retirement options are:

10 Option A. Joint and one-half to joint annuitant survivor. A reduced retirement benefit is payable to the retiree during his or 11 her lifetime with one-half (1/2) of that amount continued to the 12 13 joint annuitant during such joint annuitant's remaining lifetime, if 14 any, after the death of the retiree. If the named joint annuitant 15 dies at any time after the member's retirement date, but before the 16 death of the retiree, the retiree shall return to the retirement 17 benefit, including any post-retirement benefit increases the member 18 would have received had the member not selected Option A. The 19 benefit shall be determined at the date of death of the named joint 20 annuitant or July 1, 1994, whichever is later. This increase shall 21 become effective the first day of the month following the date of 22 death of the named joint annuitant or July 1, 1994, whichever is 23 later, and shall be payable for the retiree's remaining lifetime. 24 The retiree shall notify the Oklahoma Public Employees Retirement

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

Option B. Joint and survivor. A reduced retirement benefit is 8 9 payable to the retiree during his or her lifetime with that amount 10 continued to the joint annuitant during the joint annuitant's 11 remaining lifetime, if any, after the death of the retiree. If the 12 named joint annuitant dies at any time after the member's retirement 13 date, but before the death of the retiree, the retiree shall return 14 to the retirement benefit, including any post retirement post-15 retirement benefit increases the member would have received had the 16 member not selected Option B. The benefit shall be determined at 17 the date of death of the named joint annuitant or July 1, 1994, 18 whichever is later. This increase shall become effective the first 19 day of the month following the date of death of the named joint 20 annuitant or July 1, 1994, whichever is later, and shall be payable 21 for the retiree's remaining lifetime. The retiree shall notify the 22 Oklahoma Public Employees Retirement System of the death of the 23 named joint annuitant in writing. In the absence of such written 24 notice being filed by the member notifying the Oklahoma Public

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Employees Retirement System of the death of the named joint annuitant within six (6) months of the date of death, nothing in this subsection shall require the Oklahoma Public Employees Retirement System to pay more than six (6) months of retrospective benefits increase.

6 Option C. Life with ten (10) years certain. A reduced 7 retirement benefit is payable to the retiree during his or her lifetime and if the retiree dies within the ten-year certain period, 8 9 measured from the commencement of retirement benefits payments, such 10 payments will be continued to the beneficiary during the balance of 11 the ten-year certain period. If the retiree dies within the ten-12 year certain period, and there are no living designated 13 beneficiaries, the person responsible for the estate of the retiree 14 may elect for the estate to be paid the benefits for the remainder 15 of the term or to receive the present value of the remaining benefit 16 payments according to rules adopted by the Board of Trustees of the 17 System. If the retiree predeceases a designated beneficiary within 18 the ten-year certain period, and the beneficiary dies after the 19 beneficiary has begun to receive benefits, the person responsible 20 for the estate of the beneficiary may elect for the estate to be 21 paid the benefits for the remainder of the term or to receive the 22 present value of the remaining benefit payments according to rules 23 adopted by the Board of Trustees of the System.

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

If a member who is eligible to retire in accordance with 4 (5) 5 the provisions of Section 914 of this title but is not actually retired or is eligible to vest or has elected a vested benefit dies, 6 the member's spouse may elect to receive benefits as a joint 7 annuitant under Option B calculated as if the member retired on the 8 9 date of death, in lieu of receiving the member's accumulated 10 contributions. However, no benefits shall be payable before the 11 date the deceased member would have met the requirements for a 12 normal or early retirement. The provisions of this paragraph shall 13 be applicable to a surviving spouse of a deceased member who died 14 prior to the effective date of this act July 1, 2002, but only if no 15 benefits or distributions have been previously paid.

16 (6) Benefits payable to a joint annuitant shall accrue from the 17 first day of the month following the death of a member or retiree 18 and, in the case of Option A and Option B, shall end on the last day 19 of the month in which the joint annuitant dies.

20 SECTION 3. AMENDATORY 74 O.S. 2021, Section 935.7, is 21 amended to read as follows:

Section 935.7 A. Participating employees shall at all times be vested at one hundred percent (100%) of their accounts containing solely their employee contributions, and the gains or losses on

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1 these contributions. Participating employees will have investment 2 discretion over these accounts within the available options offered 3 by the Board.

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

- 9 Year 1 20%
- 10
   Year 2
   40%

   11
   Year 3
   60%
- 12 Year 4 80%
- 13 Year 5 and thereafter 100%

14 C. Participating employees will have investment discretion over 15 all employer contributions.

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

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

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1	F. To the extent that participants leave employment and have
2	not vested in all of the employer contributions, the nonvested
3	employer contributions, including any gains or losses, shall be
4	immediately forfeited to the 401(a) plan and may be used to offset
5	costs of administering the plan <u>or as permitted by federal law</u> .
6	Upon reemployment with an employer and satisfying the eligibility
7	requirements to become a participant, the reemployed participant
8	shall receive credit for previous service and be vested at the same
9	percentage the participant was vested when service was previously
10	terminated. However, under no circumstances shall the participant
11	be entitled to any previously forfeited employer contributions.
12	SECTION 4. This act shall become effective November 1, 2023."
13	Passed the House of Representatives the 25th day of April, 2023.
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16	Presiding Officer of the House of Representatives
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18	Passed the Senate the day of, 2023.
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21	Presiding Officer of the Senate
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1	ENGROSSED SENATE
2	BILL NO. 448 By: Montgomery of the Senate
Ζ	and
3	Lepak of the House
4	
5	
6	An Act relating to retirement benefits payment; amending 20 O.S. 2021, Section 1102C, which relates
7	to payment to members of the Uniform Retirement System for Justices and Judges; conforming language;
8	amending 74 O.S. 2021, Section 918, which relates to payment to members of the Oklahoma Public Employees
9	Retirement System; conforming language; and providing an effective date.
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11	
12	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
13	SECTION 5. AMENDATORY 20 O.S. 2021, Section 1102C, is
14	amended to read as follows:
15	Section 1102C. A. Except as otherwise provided for in this
16	section and Section 1104.2 of this title, members who join the
17	Uniform Retirement System for Justices and Judges on September 1,
18	2005, or thereafter, may elect to have the retirement benefit paid
19	under one of the options provided in this section in lieu of having
20	it paid in the form stated in Section 1104 of this title. The
21	election of an option must be made prior to the member's retirement
22	date or to receipt of a benefit after termination of service with a
23	vested benefit. A specific person must be designated as joint
24	annuitant at the time of the election of Option A or B. Election of

an option is available with respect to the vested benefit. All
retirement benefits of a married member shall be paid pursuant to
the Option A plan or Option B plan as provided for in this section
unless the spouse of a member consents in writing for the unreduced
benefits to be paid as provided for in Section 1104 of this title.
<u>The spouse of the member is not required to consent in writing to</u>
the election of the Option B plan by the member.

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

13 C. The retirement options are:

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

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

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

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

D. If a member who is eligible to retire in accordance with the 8 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 benefit dies, the member's spouse may elect to receive benefits as a 11 12 joint annuitant under Option B, calculated as if the member retired on the date of death, in lieu of receiving the member's accumulated 13 contributions. However, no benefits shall be payable before the 14 date the deceased member would have met the requirements for a 15 normal or early retirement. The provisions of this paragraph shall 16 be applicable to a surviving spouse of a deceased member who died 17 prior to the effective date of this act September 1, 2005, but only 18 if no benefits or distributions have been previously paid. 19

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

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

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

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

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

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

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

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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 7. This act shall become effective November 1, 2023.
6	Passed the Senate the 14th day of March, 2023.
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8	Presiding Officer of the Senate
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10	Passed the House of Representatives the day of,
11	2023.
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13	Presiding Officer of the House
14	of Representatives
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