

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1162

By: McDaniel of the House

and

Stanislawski of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to the Teachers' Retirement System of
12 Oklahoma; enacting the Pension Protection Act;
13 amending 70 O.S. 2011, Section 17-105, as last
14 amended by Section 1, Chapter 129, O.S.L. 2016 (70
15 O.S. Supp. 2016, Section 17-105), which relates to
16 retirement eligibility; modifying required period of
17 time for participation for purposes of retirement
18 benefits; providing for noncodification; and
19 providing an effective date.

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

21 SECTION 1. NEW LAW A new section of law not to be
22 codified in the Oklahoma Statutes reads as follows:

23 This act shall be known and may be cited as the "Pension
24 Protection Act".

1 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-105, as
2 last amended by Section 1, Chapter 129, O.S.L. 2016 (70 O.S. Supp.
3 2016, Section 17-105), is amended to read as follows:

4 Section 17-105. (1) (a) Any member who has attained age
5 fifty-five (55) or who has completed thirty (30) years of creditable
6 service, as defined in Section 17-101 of this title, or for any
7 person who initially became a member prior to July 1, 1992,
8 regardless of whether there were breaks in service after July 1,
9 1992, whose age and number of years of creditable service total
10 eighty (80) may be retired upon proper application for retirement on
11 forms established by the System and executing a retirement contract.
12 Such a retirement date will also apply to any person who became a
13 member of the sending system as defined in this act, prior to July
14 1, 1992, regardless of whether there were breaks in service after
15 July 1, 1992. Any person who became a member after June 30, 1992,
16 but prior to November 1, 2011, whose age and number of years of
17 creditable service total ninety (90) may be retired upon proper
18 application for retirement and executing a retirement contract. Any
19 person who becomes a member on or after November 1, 2011, who
20 attains the age of sixty-five (65) years or who reaches a normal
21 retirement date pursuant to subparagraph (d) of paragraph (24) of
22 Section 17-101 of this title having attained a minimum age of sixty
23 (60) years may be retired upon proper application for retirement and
24 executing a retirement contract. The application shall be filed on

1 the form provided by the Board of Trustees for this purpose, not
2 less than sixty (60) days before the date of retirement, provided
3 that the Executive Director may waive the sixty-day deadline for
4 good cause shown as defined by the Board.

5 1. The employer shall provide the System with the
6 following information for a retiring member, no later
7 than the fifteenth day of the month of retirement:
8 last day physically on the job; last day on payroll;
9 any regular compensation not already reported to the
10 System; and final unused sick leave balance.

11 2. Failure to submit this information by the deadline, or
12 errors in submitted information that result in a
13 disqualification of retirement eligibility shall be
14 the responsibility of the employer. In cases where
15 the error results in disqualification of retirement
16 eligibility, it is the employer's responsibility to
17 reemploy the member, or retain the member on the
18 payroll, for the time period required to reach
19 eligibility, not exceeding two (2) months.

20 (b) An individual who becomes a member of the Teachers'
21 Retirement System on or after July 1, 1967 November 1, 2017, shall
22 be employed by the public schools, state colleges or universities of
23 Oklahoma for a minimum of ~~five (5)~~ seven (7) years and be a
24 contributing member of the Teachers' Retirement System of Oklahoma

1 for a minimum of ~~five (5)~~ seven (7) years to qualify for monthly
2 retirement benefits from the Teachers' Retirement System of
3 Oklahoma.

4 (c) Any member with ~~five (5)~~ seven (7) or more years of
5 Oklahoma teaching service and whose accumulated contributions during
6 such period have not been withdrawn shall be given an indefinite
7 extension of membership beginning with the sixth year following his
8 or her last contributing membership and shall become eligible to
9 apply for retirement and be retired upon attaining age fifty-five
10 (55).

11 (2) An unclassified optional member who has retired or who
12 retires at sixty-two (62) years of age or older or whose retirement
13 is because of disability shall have his or her minimum retirement
14 benefits calculated on an average salary of Five Thousand Three
15 Hundred Fifty Dollars (\$5,350.00) or, if a larger monthly allowance
16 would result, an amount arrived at pursuant to application of the
17 formula prescribed herein.

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

1 Any individual regardless of residence, who has a minimum of ten
2 (10) years of teaching in Oklahoma schools prior to July 1, 1943, or
3 who taught in Oklahoma schools prior to 1934 and thereafter taught a
4 minimum of ten (10) years and who does not qualify under the present
5 retirement System, or who has a minimum of thirty (30) years of
6 teaching in Oklahoma schools and has reached seventy (70) years of
7 age prior to July 1, 1984, and is not otherwise eligible to receive
8 any benefits from the retirement system shall receive a minimum of
9 One Hundred Fifty Dollars (\$150.00) per month in retirement benefits
10 from the Teachers' Retirement System of Oklahoma plus any general
11 increase in benefits for annuitants as may be provided hereafter by
12 the Legislature. Each individual must apply to the Teachers'
13 Retirement System for such benefit and provide evidence to the
14 Teachers' Retirement System that the service was actually rendered.
15 The surviving spouse of any person who made application for the
16 benefit provided for by this paragraph during his or her lifetime
17 but did not receive said benefit may submit an application to the
18 System for payment of said benefit for those months during the
19 lifetime of the deceased person that he or she was eligible for but
20 did not receive the benefit. Upon approval of the application by
21 the Board of Trustees, the benefit shall be paid to the surviving
22 spouse in one lump sum.

1 (4) The value of each year of prior service is the total
2 monthly retirement benefit divided by the number of years of
3 creditable service.

4 (5) Upon application of a member who is actively engaged in
5 teaching in Oklahoma or his or her employer, any member who has been
6 a contributing member for ten (10) years may be retired by the Board
7 of Trustees subsequent to the execution and filing thereof, on a
8 disability retirement allowance, provided that it is found by the
9 Board of Trustees after medical examination of such member by a duly
10 qualified physician that such member is mentally or physically
11 incapacitated for further performance of duty, that such incapacity
12 is likely to be permanent, and that such member should be retired.
13 The Board of Trustees shall give due consideration to the
14 conclusions and recommendations in the certified written report of
15 the Medical Board of the Teachers' Retirement System regarding the
16 disability application of such member. If a member is determined to
17 be eligible for disability benefits pursuant to the Social Security
18 System, then such determination shall entitle the member to the
19 authorized disability retirement allowance provided by law. For
20 members who are not eligible for disability benefits pursuant to the
21 Social Security System, the Board of Trustees shall apply the same
22 standard for which provision is made in the first two sentences of
23 this subsection for determining the eligibility of a person for such
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1 disability benefits in making a determination of eligibility for
2 disability benefits as authorized by this subsection.

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

15 (b) A member who has qualified for retirement benefits under
16 disability retirement shall have the total monthly payment deducted
17 from his or her accumulated contributions plus interest earned and
18 any money remaining in the member's account after the above
19 deductions at the death of the member shall be paid in a lump sum to
20 the beneficiary or to the estate of the member. Provided, if the
21 deceased disabled member had thirty (30) years or more of creditable
22 service and the death occurred after June 30, 1981, and death
23 occurred prior to the disabled member receiving twelve monthly
24 retirement payments, a surviving spouse may elect to receive the

1 retirement benefit to which the deceased member would have been
2 entitled at the time of death under the Option 2 Plan of Retirement
3 provided for in subsection (8) of this section in lieu of the death
4 benefit provided for in this subsection and in subsection (12) of
5 this section.

6 (c) Once each year the Board of Trustees may require any
7 disabled annuitant who has not yet attained the age of sixty (60)
8 years to undergo a medical examination, such examination to be made
9 at the place of residence for said disabled annuitant or other place
10 mutually agreed upon by a physician or physicians designated by the
11 Board of Trustees. Should any disabled annuitant who has not yet
12 attained the age of sixty (60) years refuse to submit to at least
13 one medical examination in any such year by a physician or
14 physicians designated by the Board of Trustees his or her allowance
15 may be discontinued until he or she submits to such examination.

16 (d) Should the Medical Board report and certify to the Board of
17 Trustees that such disabled annuitant is engaged in or is able to
18 engage in a gainful occupation paying more than the difference
19 between his or her retirement allowance and the average final
20 compensation, and should the Board of Trustees concur in such report
21 then the amount of his or her pension shall be reduced to an amount
22 which, together with his or her retirement allowance and that amount
23 earnable by him or her, shall equal the amount of his or her average
24 final compensation. Should his or her earning capacity be later

1 increased, the amount of his or her pension may be further modified,
2 provided the new pension shall not exceed that amount of the pension
3 originally granted nor an amount, which when added to the amount
4 earnable by the member, together with his or her annuity, equals the
5 amount of his or her average final compensation.

6 (e) Should a disabled annuitant be restored to active service,
7 his or her disability retirement allowance shall cease and he or she
8 shall again become a member of the Teachers' Retirement System and
9 shall make regular contributions as required under this article.
10 The unused portion of his or her accumulated contributions shall be
11 reestablished to his or her credit in the Teachers' Savings Fund.
12 Any such prior service certificates on the basis of which his or her
13 service was computed at the time of his or her retirement shall be
14 restored to full force and effect.

15 (7) Should a member before retirement under Section 1-101 et
16 seq. of this title make application for withdrawal duly filed with
17 the Board of Trustees and approved by it, not earlier than four (4)
18 months after the date of termination of such service as a teacher,
19 the contribution standing to the credit of his or her individual
20 account in the Teachers' Savings Fund shall be paid to him or her
21 or, in the event of his or her death before retirement, shall be
22 paid to such person or persons as he or she shall have nominated by
23 written designation, duly executed and filed with the Board of
24 Trustees; provided, however, if there be no designated beneficiary

1 surviving upon such death, such contributions shall be paid to his
2 or her administrators, executors, or assigns, together with interest
3 as hereinafter provided. In lieu of a lump-sum settlement at the
4 death of the member, the amount of money the member has on deposit
5 in the Teachers' Savings Fund and the money the member has on
6 deposit in the Teachers' Deposit Fund may be paid in monthly
7 payments to a designated beneficiary, who must be the spouse, under
8 the Maximum or Option 1 Plan of Retirement providing the monthly
9 payment shall be not less than Twenty-five Dollars (\$25.00) per
10 month. The monthly payment shall be the actuarial equivalent of the
11 amount becoming due at the member's death based on the sex of the
12 spouse and the age the spouse has attained at the last birthday
13 prior to the member's death. Provided further, if there be no
14 designated beneficiary surviving upon such death, and the
15 contributions standing to the credit of such member do not exceed
16 Two Hundred Dollars (\$200.00), no part of such contributions shall
17 be subject to the payment of any expense of the last illness or
18 funeral of the deceased member or any expense of administration of
19 the estate of such deceased and the Board of Trustees, upon
20 satisfactory proof of the death of such member and of the name or
21 names of the person or persons who would be entitled to receive such
22 contributions under the laws of descent and distribution of the
23 state, may authorize the payment of accumulated contributions to
24 such person or persons. A member terminating his or her membership

1 by withdrawal after June 30, 2003, shall have the interest computed
2 at a rate of interest determined by the Board of Trustees and paid
3 to him or her subject to the following schedule:

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

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

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

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

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

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

23 (b) A member may select the option under which he or she
24 desires to retire at the end of the school year in which he or she

1 attains age seventy (70) and said option shall be binding and cannot
2 be changed. Provided further that if a member retires before age
3 seventy (70), no election of an option shall be effective in case an
4 annuitant dies before the first payment due under such option has
5 been received.

6 (c) The first payment of any benefit selected shall be made on
7 the first day of the month following approval of the retirement by
8 the System. If the named designated beneficiary under Option 2 or 3
9 dies at any time after the member's retirement date, but before the
10 death of the member, the member shall return to the retirement
11 benefit, including any post retirement benefit increases the member
12 would have received had the member not selected Option 2 or 3 of
13 this subsection. The benefit shall be determined at the date of
14 death of the designated beneficiary or July 1, 1994, whichever is
15 later. This increase shall become effective the first day of the
16 month following the date of death of the designated beneficiary or
17 July 1, 1994, whichever is later, and shall be payable for the
18 member's remaining lifetime. The member shall notify the Teachers'
19 Retirement System of Oklahoma of the death of the designated
20 beneficiary in writing. In the absence of said written notice being
21 filed by the member notifying the Teachers' Retirement System of
22 Oklahoma of the death of the designated beneficiary within six (6)
23 months of the date of death, nothing in this subsection shall
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1 require the Teachers' Retirement System of Oklahoma to pay more than
2 six (6) months of retrospective benefits increase.

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

9 Option 2. A member takes a reduced retirement allowance for
10 life. Upon the death of the member the payments shall continue to
11 the member's designated beneficiary for the life of the beneficiary.
12 The written designation of the beneficiary must be duly acknowledged
13 and filed with the Board of Trustees at the time of the member's
14 retirement and, except as provided in paragraph (e) of this
15 subsection, cannot be changed after the effective date of the
16 member's retirement; or

17 Option 3. A member receives a reduced retirement allowance for
18 life. Upon the death of the member one-half (1/2) of the retirement
19 allowance paid the member shall be continued throughout the life of
20 the designated beneficiary. A written designation of a beneficiary
21 must be duly acknowledged and filed with the Board of Trustees at
22 the time of the member's retirement and, except as provided in
23 paragraph (e) of this subsection, cannot be changed after the
24 effective date of the member's retirement; or

1 Option 4. Some other benefit or benefits shall be paid either
2 to the member or to such person or persons as he or she shall
3 nominate, provided such other benefit or benefits, together with the
4 reduced retirement allowance, shall be certified by the actuary to
5 be of equivalent actuarial value to his or her retirement allowance
6 and shall be approved by the Board of Trustees.

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

11 (e) A member who chose the maximum retirement benefit plan at
12 the time of retirement may make a one-time election to choose either
13 Option 2 or 3 and name the member's spouse as designated beneficiary
14 if the member marries after making the initial election. Such an
15 election shall be made by July 1, 2011, or within one (1) year of
16 the date of marriage, whichever is later. The member shall provide
17 proof of a member's good health before the Board of Trustees will
18 permit a change to either Option 2 or 3 and the naming of a
19 designated beneficiary. A medical examination conducted by a
20 licensed physician is required for purposes of determining good
21 health. Such examination must be approved by the Medical Board.
22 The member shall be required to provide proof of age for the new
23 beneficiary. The Board of Trustees shall adjust the monthly benefit
24 to the actuarially equivalent amount based on the new designated

1 beneficiary's age. The Board of Trustees shall promulgate rules to
2 implement the provisions of this subsection.

3 (f) A member who retires after the effective date of this act
4 and has selected a retirement allowance for a reduced amount payable
5 under one of the options provided for in this subsection may make a
6 one-time irrevocable election to select a different option within
7 sixty (60) days of the member's retirement date. The beneficiary
8 designated by the member at the time of retirement shall not be
9 changed if the member makes the election provided for in this
10 paragraph.

11 (g) Any individual who is eligible to be a beneficiary of a
12 member under this subsection, and who is also a beneficiary of a
13 trust created under the Oklahoma Discretionary and Special Needs
14 Trust Act, Section 175.81 et seq. of Title 60 of the Oklahoma
15 Statutes, or a comparable Trust Act created under the laws of
16 another state, hereinafter collectively referred to as "Trust Acts",
17 may be a beneficiary under this subsection by having the trustee of
18 the trust established for the benefit of that individual named as
19 the legal beneficiary under this subsection. The age of that
20 beneficiary shall be used for calculating any benefit payable to the
21 trust under this subsection. The beneficiary of such a trust shall
22 be treated as the beneficiary under this subsection except that
23 payments of any benefits due under this subsection shall be payable
24 to the lawfully appointed trustee of the trust. The obligation of

1 the System to pay the beneficiary under this subsection shall be
2 satisfied by payment to the trustee whom the System, in good faith,
3 believes to be the lawfully appointed trustee. Any conflict between
4 the statutes creating and governing the Teachers' Retirement System
5 in Section 17-101 et seq. of this title and the provisions of any
6 Trust Act referred to above shall be resolved in favor of the
7 statutes governing the System. If an eligible beneficiary is named
8 at the time of retirement, and becomes a beneficiary of a trust
9 under one of the Trust Acts described herein after that time, the
10 System will acknowledge the trust as the beneficiary upon the
11 submission of adequate documentation of the existence of the trust.
12 All other provisions of this subsection shall apply to these
13 subsequently created trusts.

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

19 (9) The governing board of any "public school", as that term is
20 defined in Section 17-101 of this title, is hereby authorized and
21 empowered to pay additional retirement allowances or compensation to
22 any person who was in the employ of such public school for not less
23 than seven (7) school years preceding the date of his or her
24 retirement. Payments so made shall be a proper charge against the

1 current appropriation or appropriations of any such public school
2 for salaries for the fiscal year in which such payments are made.
3 Such payments shall be made in regular monthly installments in such
4 amounts as the governing board of any such public school, in its
5 judgment, shall determine to be reasonable and appropriate in view
6 of the length and type of service rendered by any such person to
7 such public school by which such person was employed at the time of
8 retirement. All such additional payments shall be uniform, based
9 upon the length of service and the type of services performed, to
10 persons formerly employed by such public school who have retired or
11 been retired in accordance with the provisions of Section 17-101 et
12 seq. of this title.

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

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

20 (11) Upon the death of an in-service member, the System shall
21 pay to the designated beneficiary of the member or, if there is no
22 designated beneficiary or if the designated beneficiary predeceases
23 the member, to the estate of the member, the sum of Eighteen
24 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the

1 deceased member had ten (10) years or more of creditable service and
2 the death occurred after February 1, 1985, the member's designated
3 beneficiary may elect to receive the retirement benefit to which the
4 deceased member would have been entitled at the time of death under
5 the Option 2 plan of retirement in lieu of the death benefit
6 provided for in this subsection. Provided further, the option
7 provided in this subsection is only available when the member has
8 designated one individual as the designated beneficiary. The
9 beneficiary or beneficiaries of death benefits in the amount not to
10 exceed Eighteen Thousand Dollars (\$18,000.00), but exclusive of any
11 retirement benefit received by an electing beneficiary based upon
12 creditable service performed by the deceased member, which are
13 provided pursuant to this subsection may elect to disclaim such
14 death benefits in which case such benefits will be transferred to a
15 person licensed as a funeral director or to a lawfully recognized
16 business entity licensed as required by law to provide funeral
17 services for the deceased member. The qualified disclaimer must be
18 in writing and will be an irrevocable and an unqualified refusal to
19 accept all or a portion of the death benefit. It must be received
20 by the transferor no more than nine (9) months after the later of
21 the day the transfer creating the interest in the disclaiming person
22 is made or the day the disclaiming person attains age twenty-one
23 (21). The interest in the death benefits must pass without
24 direction by the disclaiming person to another person.

1 (12) Upon the death of an annuitant who has contributed to the
2 System, the retirement system shall pay to the designated
3 beneficiary of the annuitant or, if there is no designated
4 beneficiary or if the designated beneficiary predeceases the
5 annuitant, to the estate of the annuitant, the sum of Five Thousand
6 Dollars (\$5,000.00) as a death benefit. The beneficiary or
7 beneficiaries of benefits provided pursuant to this subsection may
8 elect to disclaim such death benefits in which case such benefits
9 will be transferred to a person licensed as a funeral director or to
10 a lawfully recognized business entity licensed as required by law to
11 provide funeral services for the deceased member. The qualified
12 disclaimer must be in writing and will be an irrevocable and an
13 unqualified refusal to accept all or a portion of the death benefit.
14 It must be received by the transferor no more than nine (9) months
15 after the later of the day the transfer creating the interest in the
16 disclaiming person is made or the day the disclaiming person attains
17 age twenty-one (21). The interest in the death benefits must pass
18 without direction by the disclaiming person to another person. The
19 benefit payable pursuant to this subsection shall be deemed, for
20 purposes of federal income taxation, as life insurance proceeds and
21 not as a death benefit if the Internal Revenue Service approves this
22 provision pursuant to a private letter ruling request which shall be
23 submitted by the board of trustees of the System for that purpose.

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

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

12 1. The member's valid last will and testament, trust
13 documents or affidavit that a will does not exist;

14 2. An affidavit or affidavits of heirship which must
15 state:

16 a. the names and signatures of all claiming heirs to
17 the deceased member's estate including the
18 claiming heirs' names, relationship to the
19 deceased, current addresses, tax I.D. numbers if
20 known and current telephone numbers,

21 b. a statement or statements by the claiming heirs
22 that no application or petition for the
23 appointment of a personal representative is
24 pending or has been granted in any jurisdiction,

1 c. a description of the personal property claimed,
2 (i.e., death benefit or unpaid contributions or
3 both) together with a statement that such
4 personal property is subject to probate,

5 d. a statement by each individual claiming heir
6 identifying the amount of personal property that
7 the heir is claiming from the System, and that
8 the heir has been notified of, is aware of and
9 consents to the identified claims of all the
10 other claiming heirs of the deceased member
11 pending with the System;

12 3. A written agreement or agreements signed by all
13 claiming heirs of the deceased member which provides
14 that the claiming heirs release, discharge and hold
15 harmless the System from any and all liability,
16 obligations and costs which it may incur as a result
17 of making a payment to any of the deceased member's
18 heirs;

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

22 5. Proof that all debts of the deceased member, including
23 payment of last sickness, hospital, medical, death,
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1 funeral and burial expenses have been paid or provided
2 for.

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

10 (c) After paying any death benefits or unpaid contributions to
11 any claiming heirs as provided pursuant to this subsection, the
12 System is discharged and released from any and all liability,
13 obligation and costs to the same extent as if the System had dealt
14 with a personal representative of the deceased member. The System
15 is not required to inquire into the truth of any matter specified in
16 this subsection or into the payment of any estate tax liability.

17 (14) Upon the death of a retired member, the benefit payment
18 for the month in which the retired member died, if not previously
19 paid, shall be made to the beneficiary of the member or to the
20 member's estate if there is no beneficiary. Such benefit payment
21 shall be made in an amount equal to a full monthly benefit payment
22 regardless of the day of the month in which the retired member died.
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1 SECTION 3. This act shall become effective November 1, 2017.

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3 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
4 PENSIONS, dated 02/23/2017 - DO PASS, As Amended and Coauthored.
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