

**SENATE FLOOR VERSION**

April 3, 2017

ENGROSSED HOUSE  
BILL NO. 1162

By: McDaniel of the House

and

Stanislawski of the Senate

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

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

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

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

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

Section 17-105. (1) (a) Any member who has attained age fifty-five (55) or who has completed thirty (30) years of creditable

1 service, as defined in Section 17-101 of this title, or for any  
2 person who initially became a member prior to July 1, 1992,  
3 regardless of whether there were breaks in service after July 1,  
4 1992, whose age and number of years of creditable service total  
5 eighty (80) may be retired upon proper application for retirement on  
6 forms established by the System and executing a retirement contract.  
7 Such a retirement date will also apply to any person who became a  
8 member of the sending system as defined in this act, prior to July  
9 1, 1992, regardless of whether there were breaks in service after  
10 July 1, 1992. Any person who became a member after June 30, 1992,  
11 but prior to November 1, 2011, whose age and number of years of  
12 creditable service total ninety (90) may be retired upon proper  
13 application for retirement and executing a retirement contract. Any  
14 person who becomes a member on or after November 1, 2011, who  
15 attains the age of sixty-five (65) years or who reaches a normal  
16 retirement date pursuant to subparagraph (d) of paragraph (24) of  
17 Section 17-101 of this title having attained a minimum age of sixty  
18 (60) years may be retired upon proper application for retirement and  
19 executing a retirement contract. The application shall be filed on  
20 the form provided by the Board of Trustees for this purpose, not  
21 less than sixty (60) days before the date of retirement, provided  
22 that the Executive Director may waive the sixty-day deadline for  
23 good cause shown as defined by the Board.

24

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

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

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

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

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

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

22 Any individual regardless of residence, who has a minimum of ten  
23 (10) years of teaching in Oklahoma schools prior to July 1, 1943, or  
24 who taught in Oklahoma schools prior to 1934 and thereafter taught a

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

20 (4) The value of each year of prior service is the total  
21 monthly retirement benefit divided by the number of years of  
22 creditable service.

23 (5) Upon application of a member who is actively engaged in  
24 teaching in Oklahoma or his or her employer, any member who has been

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

21 (6) (a) A member who at the time of retirement has been found  
22 to be permanently physically or mentally incapacitated to teach  
23 school shall receive a minimum monthly retirement payment for life  
24 or until such time as the member may be found to be recovered to the

1 point where he or she may return to teaching. Any member retired  
2 before July 1, 1992, shall be eligible to receive the monthly  
3 retirement allowance herein provided, but such payment shall not  
4 begin until the first payment due him or her after July 1, 1992, and  
5 shall not be retroactive. The Board of Trustees is empowered to  
6 make such rules and regulations as it considers proper to preserve  
7 equity in retirements under this provision, which shall include a  
8 provision to protect the rights of the member's spouse.

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

24

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

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



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

10 (7) Should a member before retirement under Section 1-101 et  
11 seq. of this title make application for withdrawal duly filed with  
12 the Board of Trustees and approved by it, not earlier than four (4)  
13 months after the date of termination of such service as a teacher,  
14 the contribution standing to the credit of his or her individual  
15 account in the Teachers' Savings Fund shall be paid to him or her  
16 or, in the event of his or her death before retirement, shall be  
17 paid to such person or persons as he or she shall have nominated by  
18 written designation, duly executed and filed with the Board of  
19 Trustees; provided, however, if there be no designated beneficiary  
20 surviving upon such death, such contributions shall be paid to his  
21 or her administrators, executors, or assigns, together with interest  
22 as hereinafter provided. In lieu of a lump-sum settlement at the  
23 death of the member, the amount of money the member has on deposit  
24 in the Teachers' Savings Fund and the money the member has on

1 deposit in the Teachers' Deposit Fund may be paid in monthly  
2 payments to a designated beneficiary, who must be the spouse, under  
3 the Maximum or Option 1 Plan of Retirement providing the monthly  
4 payment shall be not less than Twenty-five Dollars (\$25.00) per  
5 month. The monthly payment shall be the actuarial equivalent of the  
6 amount becoming due at the member's death based on the sex of the  
7 spouse and the age the spouse has attained at the last birthday  
8 prior to the member's death. Provided further, if there be no  
9 designated beneficiary surviving upon such death, and the  
10 contributions standing to the credit of such member do not exceed  
11 Two Hundred Dollars (\$200.00), no part of such contributions shall  
12 be subject to the payment of any expense of the last illness or  
13 funeral of the deceased member or any expense of administration of  
14 the estate of such deceased and the Board of Trustees, upon  
15 satisfactory proof of the death of such member and of the name or  
16 names of the person or persons who would be entitled to receive such  
17 contributions under the laws of descent and distribution of the  
18 state, may authorize the payment of accumulated contributions to  
19 such person or persons. A member terminating his or her membership  
20 by withdrawal after June 30, 2003, shall have the interest computed  
21 at a rate of interest determined by the Board of Trustees and paid  
22 to him or her subject to the following schedule:

23

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

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

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

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

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

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

20 (b) A member may select the option under which he or she  
21 desires to retire at the end of the school year in which he or she  
22 attains age seventy (70) and said option shall be binding and cannot  
23 be changed. Provided further that if a member retires before age  
24 seventy (70), no election of an option shall be effective in case an

1 annuitant dies before the first payment due under such option has  
2 been received.

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

23 Option 1. If he or she dies before he or she has received in  
24 annuity payments the present value of his or her annuity as it was

1 at the time of his or her retirement, the balance shall be paid to  
2 his or her legal representatives or to such person as he or she  
3 shall nominate by written designation duly acknowledged and filed  
4 with the Board of Trustees at the time of his or her retirement; or

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

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

21 Option 4. Some other benefit or benefits shall be paid either  
22 to the member or to such person or persons as he or she shall  
23 nominate, provided such other benefit or benefits, together with the  
24 reduced retirement allowance, shall be certified by the actuary to

1 be of equivalent actuarial value to his or her retirement allowance  
2 and shall be approved by the Board of Trustees.

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

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

23 (f) A member who retires after the effective date of this act  
24 and has selected a retirement allowance for a reduced amount payable

1 under one of the options provided for in this subsection may make a  
2 one-time irrevocable election to select a different option within  
3 sixty (60) days of the member's retirement date. The beneficiary  
4 designated by the member at the time of retirement shall not be  
5 changed if the member makes the election provided for in this  
6 paragraph.

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

1 in Section 17-101 et seq. of this title and the provisions of any  
2 Trust Act referred to above shall be resolved in favor of the  
3 statutes governing the System. If an eligible beneficiary is named  
4 at the time of retirement, and becomes a beneficiary of a trust  
5 under one of the Trust Acts described herein after that time, the  
6 System will acknowledge the trust as the beneficiary upon the  
7 submission of adequate documentation of the existence of the trust.  
8 All other provisions of this subsection shall apply to these  
9 subsequently created trusts.

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

15 (9) The governing board of any "public school", as that term is  
16 defined in Section 17-101 of this title, is hereby authorized and  
17 empowered to pay additional retirement allowances or compensation to  
18 any person who was in the employ of such public school for not less  
19 than seven (7) school years preceding the date of his or her  
20 retirement. Payments so made shall be a proper charge against the  
21 current appropriation or appropriations of any such public school  
22 for salaries for the fiscal year in which such payments are made.  
23 Such payments shall be made in regular monthly installments in such  
24 amounts as the governing board of any such public school, in its



1 judgment, shall determine to be reasonable and appropriate in view  
2 of the length and type of service rendered by any such person to  
3 such public school by which such person was employed at the time of  
4 retirement. All such additional payments shall be uniform, based  
5 upon the length of service and the type of services performed, to  
6 persons formerly employed by such public school who have retired or  
7 been retired in accordance with the provisions of Section 17-101 et  
8 seq. of this title.

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

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

16 (11) Upon the death of an in-service member, the System shall  
17 pay to the designated beneficiary of the member or, if there is no  
18 designated beneficiary or if the designated beneficiary predeceases  
19 the member, to the estate of the member, the sum of Eighteen  
20 Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the  
21 deceased member had ten (10) years or more of creditable service and  
22 the death occurred after February 1, 1985, the member's designated  
23 beneficiary may elect to receive the retirement benefit to which the  
24 deceased member would have been entitled at the time of death under

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

21 (12) Upon the death of an annuitant who has contributed to the  
22 System, the retirement system shall pay to the designated  
23 beneficiary of the annuitant or, if there is no designated  
24 beneficiary or if the designated beneficiary predeceases the

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

20 (13) Upon the death of a member who dies leaving no living  
21 beneficiary or having designated his or her estate as beneficiary,  
22 the System may pay any applicable death benefit, unpaid  
23 contributions, or unpaid benefit which may be subject to probate, in  
24 an amount of Twenty-five Thousand Dollars (\$25,000.00) or less,

1 without the intervention of the probate court or probate procedure  
2 pursuant to Section 1 et seq. of Title 58 of the Oklahoma Statutes.

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

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

9 2. An affidavit or affidavits of heirship which must  
10 state:

11 a. the names and signatures of all claiming heirs to  
12 the deceased member's estate including the  
13 claiming heirs' names, relationship to the  
14 deceased, current addresses, tax I.D. numbers if  
15 known and current telephone numbers,

16 b. a statement or statements by the claiming heirs  
17 that no application or petition for the  
18 appointment of a personal representative is  
19 pending or has been granted in any jurisdiction,

20 c. a description of the personal property claimed,  
21 (i.e., death benefit or unpaid contributions or  
22 both) together with a statement that such  
23 personal property is subject to probate,  
24

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

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

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

18           5.    Proof that all debts of the deceased member, including  
19                   payment of last sickness, hospital, medical, death,  
20                   funeral and burial expenses have been paid or provided  
21                   for.

22           (b)   The Executive Director of the System shall retain complete  
23           discretion in determining which requests for probate waiver may be  
24           granted or denied, for any reason.  Should the System have any

1 question as to the validity of any document presented by the  
2 claiming heirs, or as to any statement or assertion contained  
3 therein, the probate requirement provided for in Section 1 et seq.  
4 of Title 58 of the Oklahoma Statutes, shall not be waived.

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

12 (14) Upon the death of a retired member, the benefit payment  
13 for the month in which the retired member died, if not previously  
14 paid, shall be made to the beneficiary of the member or to the  
15 member's estate if there is no beneficiary. Such benefit payment  
16 shall be made in an amount equal to a full monthly benefit payment  
17 regardless of the day of the month in which the retired member died.

18 SECTION 3. This act shall become effective November 1, 2017.

19 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE  
20 April 3, 2017 - DO PASS

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