HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3939 By: Lepak of the House

and

Quinn of the Senate

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2011, Section 918.1, which relates to required distributions; modifying provisions related to date of required distributions; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 918.1, is amended to read as follows:

Section 918.1 A. All benefits paid from the System shall be distributed in accordance with the requirements of Section 401(a)(9) of the federal Internal Revenue Code and the regulations under that section. In order to meet these requirements, the System shall be administered in accordance with the following provisions:

1. Distributions of a member's benefit must begin ~~by the later of the April 1 following the calendar year in which a member attains~~

~~age seventy and one-half (70 1/2) or the April 1 of the year following the calendar year in which the member retires~~ no later than the date required by Section 401 of the federal Internal Revenue Code;

2. The life expectancy of a member or a member's spouse may not be recalculated after the benefits commence;

3. If a member dies before the distribution of the member's benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died; and

4. The amount of benefits payable to a member's joint annuitant or beneficiary may not exceed the maximum determined under the incidental death benefit requirement of the federal Internal Revenue Code.

B. Distributions from the System may be made only upon retirement, separation from service, disability or death.

SECTION 2. This act shall become effective July 1, 2020.

SECTION 3. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND PENSIONS, dated 02/26/2020 - DO PASS, As Amended and Coauthored.