

**TITLE 590. OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CHAPTER 15. UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES**

RULE IMPACT STATEMENT

A. BRIEF DESCRIPTION OF PURPOSE OF PROPOSED RULES:

The amendment to 590:15-1-21 provides that the System will make reasonable efforts to locate missing members and beneficiaries in order to make the required minimum distributions in order to comply with required minimum distribution rules under the Internal Revenue Code.

The new Subchapter 5 is necessary to implement the "Uniform Retirement System for Justices and Judges Excess Benefit Plan and Trust." The Excess Benefit Plan and Trust was established by the Board of Trustees in August 2006 in accordance with 20 O.S. §1104.1. Before the plan could be implemented, the Board was required to obtain approval under Section 1104.1 from the Internal Revenue Service. The plan was recently approved by the Internal Revenue Service in a private letter ruling dated June 24, 2010. The proposed rules, adopted as emergency rules, set forth the Excess Benefit Plan and Trust, its purpose and how it is to be implemented by the agency.

Specifically, 590:15-5-1 establishes the plan and its purpose. The new 590:15-5-2 sets forth defined terms. 590:15-5-3 provides how the plan is to be construed with regards to actuarial assumptions. 590:15-5-4 sets forth who must participate in the plan and when such participation begins. The new 590:15-5-5 sets forth the excess benefit amount, when such amount is paid, and the form of the benefit. 590:15-5-6 sets forth the process for determining the amount of contributions to the plan and that such contributions must be kept separate from the URSJJ plan. The new 590:15-5-7 establishes the Excess Benefit Trust Fund to hold and account for the separate excess benefit contributions. 590:15-5-8 sets forth the administrative authority and powers of the Board of Trustees over the plan. 590:15-5-9 permits the Board to amend the plan as may be necessary to maintain the plan and its tax qualified status under the Internal Revenue Code. 590:15-5-10 provides that the interests of the participants in the plan are not assignable except as provided under 20 O.S. §1111. 590:15-5-11 provides no guarantee of any particular tax treatment as a result of participation in the plan. 590:15-5-12 permits the Board to invest such assets of the plan pending payments under the plan. 590:15-5-13 sets forth procedures for resolving conflicts in the plan.

B. CLASS OF PERSONS AFFECTED:

Members and their beneficiaries of the Uniform Retirement System for Justices and Judges are expected to be positively affected by these proposed rules because these rules make certain that the System will be in compliance with federal tax laws and that the System will maintain its status as a qualified government pension plan. Also, members whose benefits exceed the income limits imposed by the Internal Revenue Service will be affected.

C. CLASS OF PERSONS BENEFITED:

See item "B" above.

D. DESCRIPTION OF ECONOMIC IMPACT:

These proposed rules will provide for a more uniform and efficient management of the agency in compliance with statutory provisions and federal regulations governing the qualified status of the retirement system which should have a positive economic impact.

E. COST TO AGENCY AND EFFECT ON STATE REVENUE:

No additional cost is expected to be incurred by this or any other state agency as a result of these proposed rules. There is no anticipated effect on state revenues associated with these rules.

F. ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:

There is no anticipated economic impact on any political subdivisions as a result of these rules. The rules reflect or clarify existing state and federal statutory or administrative requirements and, therefore, there is no anticipated effect on state revenues associated with these rules.

G. EFFECT ON SMALL BUSINESS:

None.

H. LESS COSTLY OR INTRUSIVE METHODS:

None.

I. EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

None.

J. DETRIMENTAL EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

None.

K. DATE RULE IMPACT STATEMENT PREPARED:

December 30, 2010.