

CHAPTER 10. PUBLIC EMPLOYEES RETIREMENT SYSTEM

SUBCHAPTER 1. GENERAL PROVISIONS

590:10-1-16. Facsimile copies; ~~electronic~~ Accepted signatures

~~OPERS will accept an original or electronic signature. An original document containing a member's, joint annuitant's or beneficiary's signature is generally required on all System forms, applications, or requests for confidential information unless a form specifically requires an original signature. except as provided herein or in 590:10-1-3. Retirement notice forms, beneficiary designation forms, Step-Up election forms, and any form which requires a notarized signature, must always be provided as original signed documents. Electronic signatures may be accepted if the System provides for means of electronic submission with an electronic signature. At the sole discretion of the System, a facsimile copy of certain types of other documents may be accepted if the copies are Documents and all signatures must be clear, legible, and sufficient for imaging purposes in a format accepted by the System. The System may reject a document if it is incomplete, illegible, or if the System has reason to believe it is fraudulent. In some instances, these other documents may be accepted by facsimile only if followed by later delivery of an original document. The decision to accept facsimile copies shall be made on a case-by-case basis upon request of the member, joint annuitant or beneficiary. It is the member, joint annuitant or beneficiary's responsibility to verify that the System has received the facsimile copy and that it is legible and acceptable to the System. This rule is applicable to any plan or account managed or administered by the Board.~~

590:10-1-17. Offset and ~~recovery~~ reimbursement of funds

- (a) ~~In any circumstance involving an overpayment to any person or entity, to recover judgments or settlements relating to OPERS the System, or concerning a fraudulent or improper payment, OPERS has the right to utilize any monies available as an offset to recover the for reimbursement of an~~ overpayment, judgment, settlement, or improper payment. This right of offset and ~~recovery reimbursement~~ has priority over any other ~~claim to said monies~~ claims, including, but not limited to, the right of any ~~survivor or beneficiary member, joint annuitant, surviving spouse, alternate payee, or beneficiary.~~
- (b) ~~In the event of an overpayment, judgment, settlement, or improper payment, OPERS shall make reasonable efforts to notify the affected party by first class mail or e-mail of its intent to offset the overpayment against amounts due to the affected party.~~
- (c) ~~This right of offset and recovery reimbursement may be utilized in any plan or account managed or administered by the Board.~~

SUBCHAPTER 3. CREDITED SERVICE

590:10-3-6. Full-time-equivalent employment

(a) Full-time-equivalent employment is a term which refers to a member's actual employment with a participating employer of the System. Full-time-equivalent employment with a participating ~~Employer~~ employer must ~~have been be~~ service for which required contributions ~~have been were~~ paid to the System.

(1) Members obtain full-time-equivalent employment in two ways:

- (A) actual employment with a participating employer of the System, while participating and paying contributions to the System; and/or
- (B) making certain types of purchases of service credit which represent actual employment with a participating employer of the System.

(2) Each month for which full-time retirement contributions are paid shall credit the member with one month of full-time-equivalent employment. Members shall receive one month of full-time-equivalent employment if the contributions submitted by the employer reflect the member's full-time salary as reported by the employer. For any pay period in which the member received less than the full-time salary, the service credit shall be reduced proportionally.

(3) Examples of service and/or employment which do not constitute full-time-equivalent employment include, but are not limited to: overtime;; leave without pay;; unused sick leave;; bonus years;; ~~temporary or seasonal employment, no cost~~ prior service or military service ~~granted free of charge;;~~ purchased military service credit other than purchases pursuant to the Uniformed Services Employment and Reemployment Rights Act;; service purchased from another retirement system including transported service except as provided in Sections 590:10-11-4 and 590:10-11-13;; and purchased incentive, severance, or termination credit.

(4) Examples of service and/or employment which do constitute full-time-equivalent employment include, but are not limited to: purchased prior service, repayment of withdrawn contributions, purchase of elected service, purchased temporary total disability credit, purchases pursuant to the Uniformed Services Employment and Reemployment Rights Act, and delinquent service paid for by the employer.

(b) For purposes of determining the full-time-equivalent employment for elected officials, if the elected official is in office and participating for fifteen (15) days or more in either the first or last month in such office, the full month will be credited as service for such official. If an elected official resigns from office effective on a day other than the last day of the month, then such elected official shall not receive credit for a full month, but only those hours of full-time-equivalent employment service for that month.

(c) Elected officials ~~who elect to participate pursuant to 74 O.S. §913.4(A)(1) who elect to participate within ninety (90) days after taking office, and those elected officials who fail to file an election within the ninety-day period and are automatically enrolled in the System;~~ shall be deemed to begin service in the System on the date the elected official takes office. The elected official and the employer shall be responsible for the necessary contributions and any applicable delinquent service cost to cover ~~such time period~~ the ninety-day election period.

590:10-3-8. Actuarial cost for purchases; ~~delinquent service cost and delinquent service and remittance error costs~~

(a) **Actuarial Costs.** Effective January 1, 1991, all purchases of service credit, including, ~~but not limited to,~~ incentive credit pursuant to 74 O.S. §913.5, ~~or~~ employer error costs pursuant to 74 O.S. §917(7), ~~or unused sick leave pursuant to 74 O.S. §913(B).~~ (7) shall be based upon the actuarial cost of the incremental projected benefits to be purchased.

- (1) The actuarial cost and any tables formulated for the purpose of determining such cost, shall be based on the actuarial assumptions utilized in the actuarial valuation report for the Fiscal Year ending June 30 of the prior year.
- (2) The actuarial value shall be based upon the member's age, salary and contribution level at the time of purchase, together with the earliest age for retirement with maximum benefits and actuarially assumed salary at the time of retirement. If purchase is not made by the due date on the billing statement, the purchase must be recalculated, and the actuarial cost may increase.
- (3) For purposes of determining this actuarial cost, the member's exact age in months shall be used in the calculation.
- (4) For purposes of determining this actuarial cost, the mortality tables shall be formulated as a unisex table assuming a 50% male and a 50% female population, based upon the actuarial assumptions in paragraph (1) of this section.
- (5) In the event a member who chooses to purchase service has been employed less than twelve (12) months, ~~his~~ their salary shall be averaged based upon the most current month's payroll information.
- (6) In the event that the actuarial cost is less than the contributions that would have been required by law, the member and/or the employer shall pay the actual contributions cost.

(b) **Delinquent service costs.** Delinquent service means any participating service for which employee and/or employer contributions were received late or never received by the System. Delinquent service is not creditable to the member until paid by the employer that made the error pursuant to 74 O.S. §917(7).

- (1) ~~The cost for purchases of delinquent service credit for service of one (1) month or less which is based on employer error and which is one (1) or more years past due, shall be calculated at employer and employee contributions plus ten percent (10%) simple interest per annum.~~
- (2) ~~The cost of delinquent service credit of one (1) year or less that is identified and paid for within one (1) year from the beginning service date of the delinquent service period, shall, the cost will be calculated at employer and employee contributions only.~~
- (3) ~~The cost for delinquent service credit for service of more than one (1) month and which is overpaid more than one (1) year past due after the beginning date of the delinquent service period, shall be calculated at actuarial cost.~~
- (4) ~~The cost for any of delinquent service credit for a retiree returning to work shall be calculated at employer and employee contributions plus ten percent (10%) simple interest per annum.~~
- (5) ~~The cost of delinquent service credit for an employee who is no longer a participating an active member of the System and payment of delinquent service will not result in a change of the employee's eligibility for retirement or eligibility for any other purposes and will not change the number of years of service, the cost for delinquent service shall be calculated at employee and employer contributions plus ten percent (10%) simple interest per annum.~~
- (6) ~~When the employer is responsible for the cost of delinquent service based on employer error pursuant to 74 O.S. § 917(7), the~~ The employer shall provide records to OPERS documenting the salary, hours, and contribution level of such member during the time ~~period for which~~ the delinquent service is to be calculated and billed. If the employer is unable to locate or ~~otherwise fails to provide the required records within thirty (30) days a reasonable time as determined by the System,~~ the System may use the available member payroll records nearest the time of such the delinquency for that member to calculate the delinquent service cost.

(c) **Remittance errors.** ~~A remittance error occurs when in the event~~ a participating employer timely remits contributions for an individual member which are determined to be insufficient as a result of being based on an incorrect contribution rate or incorrectly-reported compensation. Upon notification of the insufficiency, the employer shall ~~be notified and~~ pay the amount of the insufficiency plus ten percent (10%) simple interest per annum. The provisions of this paragraph shall not be applicable to employer remittances ~~not received in a timely manner and received or~~ which are subject to ~~the provisions of~~ paragraphs (a) and (b) of this section and 74 O.S. §920B.

(d) **Service ~~Purchases~~ purchases.** Purchases of service credit are irrevocable, except when the purchase is determined by the System to not be authorized by statute or rule. Purchases of service credit shall be in whole months only. Except as otherwise provided by statute or rule, purchases of service credit can only be made by ~~a an active member who is actively participating and~~ who is not a retiree returning to work for a participating employer under 74 O.S. §914(E) ~~914 (E)~~. Provided, a retiree returning to work may be permitted to purchase service pursuant to 74 O.S. §913(A) ~~(8) 913 (A) (8)~~.

SUBCHAPTER 7. RETIREMENT BENEFITS

590:10-7-3. Longevity and other annual lump-sum payments

(a) **Longevity pay.** Longevity pay means payments made pursuant to 74 O.S. §840-2.18, 19 O.S. §180.84, or other similar annual payments to eligible employees based on a standardized schedule that increases with years of service.

(1) For members whose first OPERS participating service occurred prior to July 1, 2013, the final average compensation computation shall include ~~The the~~ three (3) highest annual longevity payments will be added into the sum of three years of salary (thirty-six months) used in computing the final average compensation for members whose first participating service occurs before July 1, 2013.

(2) For members whose first OPERS participating service occurred on or after July 1, 2013, the final average compensation computation shall include the five (5) highest annual longevity payments. ~~The five (5) highest annual longevity payments will be added into the sum of five years of salary (sixty months) used in computing the final average compensation for members whose first participating service occurs on or after July 1, 2013.~~

(3) If a retiring member is scheduled to receive a prorated longevity payment at or near the effective date of retirement, the prorated longevity ~~payments~~ payment will be used only in the amount actually paid and if it is one of the three (3) ~~or five~~ (5) highest longevity payments based on the member's OPERS entry date for members whose first participating service occurs before July 1, 2013, or one of the five highest longevity payments for members whose first participating service occurs on or after July 1, 2013.

(4) The final average salary shall not be reduced if the annual longevity payment causes any one month's salary to exceed the maximum monthly compensation level, provided the annual salary including longevity does not exceed the maximum compensation level.

(b) **Other lump-sum payments.** For the purposes of computing the final average compensation, ~~Other other~~ lump-sum annual payments that are included as compensation for retirement purposes shall be averaged over the applicable ~~previous twelve~~ (12) months of salary immediately preceding the month of payment for use in computing the final average compensation. These lump-sum payments may vary in amount, are not based on a standardized schedule, and include but are not limited to those which are paid on an annual basis only to certain employees at the discretion of the employer such as performance or skill-based skill-based pay adjustments.

590:10-7-8. Direct deposit and benefit deductions

(a) All OPERS payments shall be made by an electronic payment mechanism pursuant to 62 O.S. §34.64(H). A payee may request an exception to this requirement from the OPERS Executive Director if this requirement creates undue burden. The Executive Director, in their sole discretion, may waive this requirement. For members or annuitants retiring prior to July 1, 2001, a Retirant or annuitant may authorize the Oklahoma Public Employees Retirement System to deposit their monthly retirement benefit directly to a checking or savings account in a bank, Credit Union and/or Savings and Loan by electronic fund transfer or by paper check.

Application for direct deposit will only be accepted on properly completed forms provided by OPERS. Prior to June 30, 2001, the direct deposit may be discontinued at any time upon thirty (30) days' written notice by the member, annuitant or OPERS. After July 1, 2001, if the electronic fund transfer creates an undue hardship on the retiree, the direct deposit may be discontinued only if the member or annuitant makes application to the Executive Director to request a waiver of this requirement. The waiver will be granted only upon good cause shown when it is determined to be in the best interest of the member or annuitant. The Executive Director, at his or her sole discretion, may also waive this requirement when it is necessary in the best interest of the System to do so.

(b) Effective July 1, 2001, newly retired members or annuitants shall be required to receive monthly benefit payments via electronic fund transfers to a banking or financial institution designated by the member. The retiree or annuitant and receiving institution must complete the form prescribed for this purpose by OPERS. In the event the electronic fund transfer creates an undue hardship on the retiree or annuitant, the member or annuitant may make application to the Executive Director to request a waiver of this requirement. The waiver will be granted only upon good cause shown when it is determined to be in the best interest of the member or annuitant. The Executive Director, at his or her sole discretion, may also waive this requirement when it is necessary in the best interest of the System to do so.

(c) A retired member or joint annuitant who is receiving benefits from the System may authorize deductions from his or her their monthly benefit for certain eligible products or association dues, provided the benefit amount is sufficient to allow the entire deduction considering any previously existing deductions. No ~~partial~~ Partial deductions are not permitted. The System will ~~not be~~ OPERS is not be responsible for any errors in the deductions and no adjustments for incorrect deductions will be permitted in subsequent months made. The System will only recognize instructions received through the eligible product vendor or association, and not directly from the member or joint annuitant. The allowance of benefit deductions does not under any circumstances constitute an endorsement for any particular product or association.

(1) Eligible products are limited to ~~The only~~ products currently offered to active state employees through the Office of Management and Enterprise Services that are eligible for deduction are those products which are currently offered to active state employees through the Employees Benefits Council and which are offered to state retirees as a group. Any vendor Vendors offering such a product products must present proof of participation by at least five hundred (500) state retirees, in such form or manner as may be required by the System, prior to any deductions being authorized.

(2) The only associations that are eligible for deduction for membership dues are the Oklahoma Public Employees Association and/or any other Statewide statewide associations that are limited to state employees and have at least one thousand (1000 1,000) dues-paying members, either retired or active. Certification from the Administrator of the Office of

~~Personnel Management and Enterprise Services~~ that an association is eligible for payroll deductions for active state employees is required prior to that association being eligible for dues deductions pursuant to this rule.