Oklahoma Police Pension and Retirement System

2014 Instruction Manual

Page Left Blank Intentionally

TABLE OF CONTENTS

Address Change..……. 20

Back DROP Provision of the Deferred Option Plan……... 46

Beneficiary's Continuation of Pension…… 49

Board Meetings and Composition……... 10

Contributions……... 18

Contributions Submission..……. 19

Contributions Refund…….. 53

Death Benefit……... 51

Death of Member with Contributions to be Refunded…….……... 54

Death of Retired Member without Beneficiary……... 50

Deferred Option Payout Provision Policy……..... 42

Deferred Option Plan Application……... 37

Deferred Option Plan Termination and Payout……... 40

Deferred Option Plan Termination and Payout upon Death of Member…… 45

Definitions……... 6

Disability Benefit (Temporary)……... 28

Disability Benefit in Line of Duty…….. 29

Disability Benefit Not in Line of Duty…… 32

Governmental Contract Service Credit Purchase.…….. 25

Introduction……. 4

Medical Examination……...…… 16

Member Municipalities…… 12

Membership……. 14

Military Credit……. 26

Participation Application……. 17

Prior Service Purchase…… 22

Salary Increases for Active Officer (Notification)……. 21

Service Pension…… 48

Survivor's Pension for Death in Line of Duty……. 35

Survivor's Pension for Death Not in Line of Duty……..…… 36

Transfer of Credited Service from Other State Retirement Systems……..…… 23

Transfer of Service from another Participating Municipality……...…… 17

Vested Benefit……. 52

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM
1001 N. W. 63rd Street, Suite 305
Oklahoma City, Oklahoma 73116-7335

This Oklahoma Police Pension and Retirement System instruction manual provides you with instructions and the necessary forms from which to carry out your duties in the administration of the Oklahoma Police Pension and Retirement System. You may have other duties, but it is unlikely any of them will be more challenging than assisting the police officers of your participating municipality in understanding and collecting the retirement benefits due each of them. Knowing you have assisted a police officer or his/her family member in obtaining the maximum retirement benefits available should be a source of great satisfaction.

This instruction manual will assist you in every step involved in making certain the Oklahoma Police Pension and Retirement System serves the purpose for which it was created. This retirement plan is a valuable fringe benefit for all participating members. The staff of the Oklahoma Police Pension and Retirement System will need your assistance and cooperation to serve all the participating members of the System. The instruction manual and all forms are available through our web site www.opprs.ok.gov.

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM STAFF

Steven K. Snyder	Executive Director
Darcie Gordon (Disability Applicants) ext. 227	Administrative Officer
Nancy Nethercutt	Customer Assistance Representative
Deric Berousek	Chief Financial Officer
Judy Cong	Comptroller
Liz Moore	Pension Accountant
Sean Ruark	Pension Administration Officer
Katie Luttrell (Submission of Contributions) ext. 224	Pension Operations Administrator
Leanette Rios (Municipalities A through K and Oklahoma City) ext. 226	Pension Analyst
Angela McCullough (Municipalities L through Z excluding Oklahoma City) ext. 225	Pension Analyst

CONTACT INFORMATION

LOCAL (405) 840-3555

TOLL FREE (800) 347-6552

FAX (405) 840-8465

www.opprs.ok.gov

DEFINITIONS

The following words and phrases shall have the following meanings respectively ascribed to each of them, unless different meanings are plainly required by the context:

Accrued Retirement Benefit - means two and one-half percent (2 ½ %) of the member's final average salary multiplied by the member's years of credited service not to exceed thirty (30) years.

Article - means Article 50 of Title 11 of the Oklahoma Statutes.

Beneficiary – means a member's surviving spouse or any surviving children, including biological and adopted children, at the time of the member's death. The surviving spouse must have been married to the member for the thirty (30) continuous months immediately preceding the member's death, provided a surviving spouse of a member who died while in, and as a consequence of, the performance of the member's duty for a participating municipality, shall not be subject to the thirty-month marriage requirement for survivor benefits. A surviving child of a member shall be a beneficiary until reaching eighteen (18) years of age or twenty-two (22) years of age if the child is enrolled full time and regularly attending a public or private school or any institution of higher education. Any child adopted by a member after the member's retirement shall be a beneficiary only if the child is adopted by the member for the thirty (30) continuous months preceding the member's death. Any child who is adopted by a member after the member's retirement and such member dies accidentally or as a consequence of the performance of the member's duty as a police officer shall not be subject to the thirty-month adoption requirement. This definition of a beneficiary shall be in addition to any other requirement set forth in Article 50 of Title 11 of the Oklahoma Statutes.

Credited Service – means the period of service used to determine the eligibility for and the amount of benefits payable to a member. Credited service shall consist of the period during which the member participated in the System or the predecessor municipal systems as an active employee in an eligible membership classification, plus any service prior to the establishment of the predecessor municipal systems which was credited under the predecessor municipal systems or credited service granted by the State Board.

Eligible Employer – means any municipality with a municipal police department.

Entry Date – means the date as of which an eligible employer joins the System. The first entry date pursuant to this article shall be January 1, 1981.

Executive Director – means the managing officer of the System employed by the State Board.

Final Average Salary – means the average paid base salary of the member for normally scheduled hours over the highest salaried thirty (30) consecutive months of the last sixty (60) months of credited service. Base salary shall not include payment for accumulated sick and annual leave upon termination of employment or any uniform allowances. Provided, for purposes of determining the normal disability benefit, final average salary shall be based on the member's total service if less than thirty (30) months. Base salary shall include any amount of elective salary reduction under Section 457 of the Internal Revenue Code of 1986, as amended, and any amount of non-elective salary reduction under Section 414(h) of the internal Revenue Code of 1986, as amended. Effective January 1, 1988, base salary shall include any amount of elective salary reduction under Section 125 of the Internal Revenue Code of 1986, as amended. Effective July 1, 1998, gross salary shall include any amount of elective salary reduction not includable in the gross income of the member under Section 132(f)(4) of the Internal Revenue Code of 1986, as amended. Only salary on which required contributions have been made may be used in computing the final average salary.

Fund – means the Oklahoma Police Pension and Retirement Fund.

Limitation Year – means the year used in applying the limitations of Section 415 of the Internal Revenue Code of 1986, as amended, which year shall be the calendar year.

Member – means all eligible officers of a participating municipality and any person hired by a participating municipality who is undergoing police training to become a permanent police officer of the participating municipality. Effective July 1, 1987, a member does not include a "leased employee" as defined under Section 414 (n)(2) of the Internal Revenue Code of 1986, as amended. Effective July 1, 1999, any individual who agrees with the participating municipality that the individual's services are to be performed as a leased employee or an independent contractor shall not be a member regardless of any

classification as a common law employee by the Internal Revenue Service or any other governmental agency, or any court of competent jurisdiction. A member shall include eligible commissioned officers of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, and the Alcoholic Beverage Laws Enforcement Commission who elect to participate in the System pursuant to 11 O.S. Section 50-111.5.

Normal Retirement Date – means the date at which the member is eligible to receive the unreduced payments of the member's accrued retirement benefit. Such date shall be the first day of the month coinciding with or following the date the member completes twenty (20) years of credited service. If the member's employment continues past the normal retirement date of the member, the actual retirement date of the member shall be the first day of the month after the member terminates employment with more than twenty (20) years of credited service.

Officer – means any duly appointed and sworn full-time officer of the regular police department of a participating municipality whose duties are to preserve the public peace, protect life and property, prevent crime, serve warrants, enforce all laws and municipal ordinances of this state, and any political subdivision thereof, and who is authorized to bear arms in the execution of such duties.

Paid Base Salary – means, effective May 1, 2002, compensation that shall include longevity, educational allowances, and normal compensation paid on a regularly scheduled pay period of which said pay period shall include holidays, annual leave and sick leave. Paid base salary shall not include overtime, shall not include payment of accumulated sick and annual leave upon termination of employment, and shall not include any uniform allowance or any other compensation for reimbursement of out-of-pocket expenses.

Participating Municipality – means a municipality which is making contributions to the System on behalf of its officers. The Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, and the Alcoholic Beverage Laws Enforcement Commission shall be treated in the same manner as a participating municipality only regarding those members who elect to participate in the System pursuant to 11 O.S. Section 50-111.5.

Permanent In-Line Disability- means incapacity to earn any wages as a certified, commissioned police officer due to accidental injury or occupational disease, incurred while in, and in consequence of, the performance of duty as an officer.

Permanent Partial Disability – means permanent disability which is less than permanent total disability as defined in this section. The member must be declared no greater than ninety-nine percent (99%) impaired as defined by the "American Medical Association's Guides to the Evaluation of Permanent Impairment" on the basis of a physical medical examination by a physician licensed to practice medicine in this state, as selected by the State Board.

Permanent Total Disability –means incapacity due to accidental injury or occupational disease, to earn any wages in the employment for which the member is physically suited and reasonably fitted through education, training or experience. Further, the member must be declared one hundred percent (100%) impaired as defined by the "American Medical Association's Guides to the Evaluation of Permanent Impairment" on the basis of a physical medical examination by a physician licensed to practice medicine in this state, as selected by the State Board.

State Board – means the Oklahoma Police Pension and Retirement Board.

System – means the Oklahoma Police Pension and Retirement System and all predecessor municipal Police Pension and Retirement Systems.

BOARD MEETINGS AND COMPOSITION

The Oklahoma Police Pension and Retirement Board normally meets on the third Wednesday of each month. The agenda for each meeting will be set one week prior to the Board meeting. Applications/documentation to be placed on the agenda for consideration by the Board must be received no later than the Monday of the week prior to the meeting. A schedule of the following year's agenda and meeting dates will be sent to each participating municipality in November of each year.

The Oklahoma Police Pension and Retirement Board is composed of thirteen (13) members as follows:

1. Seven members shall be elected as follows:
   a) One member shall be elected to represent State Board District 1. State Board District 1 shall include that area of the state, except for any area comprising Oklahoma City, that is north of Interstate Highway 40 and west of Interstate Highway 35.
   b) One member shall be elected to represent State Board District 2. State Board District 2 shall include that area of the state, except for any area comprising Oklahoma City, that is south of the Interstate Highway 40 and west of Interstate Highway 35.
   c) One member shall be elected to represent State Board District 3. State Board District 3 shall include that area of the state, except for any area comprising Oklahoma City or Tulsa, that is north of Interstate Highway 40 and east of Interstate Highway 35.
   d) One member shall be elected to represent State Board District 4. State Board District 4 shall include that area of the state, except for any area comprising Oklahoma City, that is south of the Interstate Highway 40 and east of Interstate Highway 35.
   e) One member shall be elected to represent State Board District 5. State Board District 5 shall include that area of the state comprising the City of Tulsa.
   f) One member shall be elected to represent State Board District 6. State Board District 6 shall include that area of the state comprising the City of Oklahoma City.
   g) One member shall be elected to represent State Board District 7. State Board District 7 shall include the entire area of the state.

The members elected to represent State Board Districts 1 through 6 shall be active members of the System and work for a participating municipality whose police department is physically located within the State Board District. The member elected to represent State Board District 7 shall be a retired member of the System.

2. Six members shall be appointed as follows:

   a) One member shall be appointed by the Speaker of the House of Representatives;

   b) One member shall be appointed by the President Pro Tempore of the Senate;

   c) One member shall be appointed by the Governor;

   d) One member shall be appointed by the President of the Oklahoma Municipal League;

   e) One member shall be the State Insurance Commissioner or the Commissioner's designee: and

   f) One member shall be the Director of State Finance or the Director's designee.

MEMBER MUNICIPALITIES BY DISTRICT

District 1

Alva
Arapaho
Bethany
Clinton
Drummond
Edmond
El Reno
Elk City
Enid
Garber
Guthrie
Guymon
Kingfisher
Lamont
Nichols Hills
Okeene
Piedmont
Sayre
The Village
Warr Acres
Watonga
Weatherford
Woodward
Yukon

District 2

Altus
Anadarko
Blair
Blanchard
Cache
Chickasha
Comanche
Duncan
Frederick
Grandfield
Granite
Hinton
Hobart
Lawton
Lindsay
Mangum
Marlow
Mustang
Newcastle
Ringling
Tuttle
Waurika

District 3

Bartlesville
Bixby
Blackwell
Boynton
Bristow
Broken Arrow
Catoosa
Chandler
Checotah
Choctaw
Claremore
Cleveland
Collinsville
Commerce
Coweta
Cushing
Dewey
Disney
Drumright
Forest Park
Fort Gibson
Glenpool
Grove
Harrah
Haskell
Henryetta
Hominy
Jenks
Jones
Mannford
Miami
Midwest City
Muskogee
Newkirk
Nicoma Park
Nowata
Okmulgee
Owasso
Pawhuska
Perkins
Perry
Ponca City
Prague
Pryor
Sallisaw
Sand Springs
Sapulpa
Skiatook
Spencer
Stillwater
Tahlequah
Tonkawa
Vinita
Warner

District 4

Ada
Ardmore
Atoka
Cromwell
Davis
Del City
Durant
Eufaula
Hugo
Idabel
Krebs
Lexington
Madill
McAlester
Moore
Noble
Norman
Pauls Valley
Pocola
Poteau
Purcell
Savanna
Sawyer
Seminole
Shawnee
Stigler
Sulphur
Tecumseh
Tishomingo
Valley Brook
Weleetka
Wetumka
Wewoka
Wister

District 5

Tulsa

District 6

Oklahoma City

MEMBER MUNICIPALITIES

Each participating municipality is assigned a four digit code for use in tracking data. Please refer to the following list of member municipalities to find your respective code number. Every application for participation (Form 100) must indicate your city code.

Ada	6205	Glenpool	7220	Pocola	4038
Altus	3305	Grandfield	7115	Ponca City	3635
Alva	7605	Granite	2810	Poteau	4040
Anadarko	0805	Grove	2115	Prague	4140
Arapaho	2005	Guthrie	4215	Pryor	4935
Ardmore	1005	Guymon	7010	Purcell	4415
Atoka	0305	Harrah	5530	Ringling	3415
Bartlesville	7405	Haskell	5125	Sallisaw	6835
Bethany	5505	Henryetta	5625	Sand Springs	7235
Bixby	7205	Hinton	0855	Sapulpa	1945
Blackwell	3605	Hobart	3815	Savanna	6165
Blair	3310	Hominy	5735	Sawyer	1230
Blanchard	4405	Hugo	1215	Sayre	0520
Boynton	5105	Idabel	4520	Seminole	6720
Bristow	1905	Jenks	7225	Shawnee	6335
Broken Arrow	7260	Jones	5535	Skiatook	7270
Cache	1605	Kingfisher	3715	Spencer	5580
Catoosa	6605	Krebs	6145	Stigler	3120
Chandler	4115	Lamont	2715	Stillwater	6025
Checotah	4605	Lawton	1640	Sulphur	5015
Chickasha	2615	Lexington	1405	Tahlequah	1115
Choctaw	5510	Lindsay	2510	Tecumseh	6340
Claremore	6615	Madill	4810	The Village	5590
Cleveland	5910	Mangum	2815	Tishomingo	3530
Clinton	2015	Mannford	1930	Tonkawa	3640
Collinsville	7215	Marlow	6920	Tulsa	7250
Comanche	6905	McAlester	6150	Tuttle	2630
Commerce	5810	Miami	5820	Valley Brook	5585
Coweta	7305	Midwest City	5555	Vinita	1820
Cromwell	6705	Moore	1410	Warner	5155
Cushing	6005	Muskogee	5130	Warr Acres	5595
Davis	5005	Mustang	0915	Watonga	0635
Del City	5515	Newcastle	4435	Waurika	3435
Dewey	7415	Newkirk	3630	Weatherford	2030
Disney	4915	Nichols Hills	5560	Weleetka	5425
Drummond	2420	Nicoma Park	5565	Wetumka	3235
Drumright	1915	Noble	1415	Wewoka	6725
Duncan	6910	Norman	1420	Wister	4055
Durant	0735	Nowata	5315	Woodward	7730
Edmond	5520	Okeene	0630	Yukon	0930
El Reno	0910	Oklahoma City	5570		
Elk City	0510	Okmulgee	5640		
Enid	2425	Owasso	7230		
Eufaula	4610	Pauls Valley	2525		
Forest Park	5525	Pawhuska	5745		
Fort Gibson	5120	Perkins	6015		
Frederick	7110	Perry	5220		
Garber	2435	Piedmont	0920		

MEMBERSHIP

Each new police officer or any person hired by a participating municipality who is paid for working more than twenty-five (25) hours per week or any person who is undergoing police training to become a permanent police officer of the participating municipality must participate in the System upon initial employment with a police department of a participating municipality. Each applicant must meet the following requirements before employment:

1. An officer must be not less than twenty-one (21) years of age or more than forty-five (45) years of age. An officer who is more than forty-five (45) years of age would not be eligible to participate in the System, but may be employed if the officer has never participated in the System, and if the resulting total of employed full-time officers for the municipality is two (2) or fewer (inclusive of the police chief, whether or not the police chief is a participating member of the System).
2. An officer is **required to complete the physical-medical examination and be approved for membership by the Board prior to the beginning of actual employment**. This officer must complete a physical-medical examination pertaining to sight, hearing, agility and other conditions, the requirement of which shall be established by the State Board. This examination shall identify any preexisting conditions.
3. An officer must be duly appointed and a sworn full time officer who is being paid for working more than twenty-five (25) hours per week for the regular police department of a participating municipality and whose duties are to preserve the public peace, protect life and property, prevent crime, serve warrants, enforce all laws and municipal ordinances of this state and any political subdivision thereof, and who is authorized to bear arms in the execution of such duties.
4. A former participating member of the System who terminates employment from a participating municipality and who has neither retired from the System nor entered the Oklahoma Police Deferred Option Plan may be employed regardless of age. **A complete physical-medical examination and approval by the Board is required prior to employment.**

The police chief of any participating municipality may be exempt from membership in the System or may become a participating member provided the requirements of the above are met at the time of employment. Please refer to 11 O.S. Section 50-112 for statutory language governing eligibility for membership.

MEDICAL EXAMINATION

All persons employed as police officers or any person hired by a participating municipality who is undergoing police training to become a permanent police officer of the participating municipality and is being paid for working more than twenty-five hours per week, shall participate in the Oklahoma Police Pension and Retirement System upon **initial employment** with a police department of a participating municipality.

All such persons shall submit to a physical-medical examination pertaining to sight, hearing, agility and other conditions, the requirements of which shall be established by the State Board.

The person **must complete this physical-medical examination prior to the beginning of actual employment**. This examination shall identify any preexisting conditions.

One of two exceptions to taking the physical-medical examination is when a police officer, who is a participating member of the Oklahoma Police Pension and Retirement System, transfers from one participating member municipality to another within ninety (90) days. The other exception is when a participating police officer terminates employment and returns to police work with a participating municipality within ninety (90) days of termination. The medical examination is then waived. The participating municipality may send their applicant to any licensed physician of their selection. The results of the physical-medical examination must be reflected on the System's medical Form 114 and signed by the attending physician. The attending physician should send the results of this physical-medical examination to the participating municipality's office. You will then forward the medical results to the System for review by the State Board's physician.

The State Board's physician will review and provide any preexisting medical conditions. Should the participating municipality determine to continue with the hiring process, complete an Application for Participation (Form 100) and forward the original to the System.

The State Board shall have the final authority in determining eligibility for membership in the System. Once the State Board has approved membership, the applicant may be employed.

APPLICATION FOR PARTICIPATION
(FORM 100)

For each newly hired full-time police officer, please file a completed Application for Participation (Form 100) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. The Oklahoma Police Pension and Retirement Board will consider this application at their next regular meeting following the Board's physician's review of the applicant's medical exam.

If a participating member terminates employment with a participating municipality and is subsequently reemployed by the same or another participating municipality, all contributions and service credit will be automatically transferred unless a refund of contributions is elected prior to reemployment. If the member reemploys with a participating municipality within ninety (90) days, a new physical/medical examination is not required.

If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 to speak with **Leanette Rios**. All other municipalities should dial extension 225 to speak with **Angela McCullough**.

CONTRIBUTIONS

Each participating member in the System shall contribute to the System, a minimum of eight percent (8%) of the participating member's actual base salary **beginning with the day of employment and continuing through the last day of employment**. Base salary shall include longevity, educational allowance, normal compensation paid on a regularly scheduled pay period of which said pay period shall include holiday, annual leave and sick leave. Paid base salary shall not include overtime. This shall exclude any incremental increases due to reimbursement of payment of benefits or other allowances including but not limited to insurance premium reimbursements.

The participating municipality in the System shall contribute to the System thirteen percent (13%) of the actual paid base salary of each participating member of the System employed by the participating municipality.

The sum appropriated shall be paid to the System within **ten (10)** days following the payroll period on which the contribution is based. Amounts deducted from the salary of a participating member and not paid to the System after thirty (30) days from each ending payroll date shall be subject to a monthly late charge of one and one-half percent (1 ½%) of the unpaid balance to be paid by the participating municipality to the System. This payment must be accompanied with a contribution pre-list for processing. Please refer to 11 O.S. Section 50-109 and 50-110 for statutory language governing contributions.

Effective January 1, 1989, the Oklahoma Statutes pertaining to the Oklahoma Police Pension and Retirement System (11 O.S. Section 50-101 et seq.) have been amended to exclude participating member contributions from federal and state income taxes, in accordance with Section 414(h) of the Internal Revenue Code of 1986. Please refer to 11 O.S. Section 50-114.1 for statutory language governing deferred taxes on contributions.

CONTRIBUTIONS SUBMISSION
(VIA MANUAL ENTRY OR TRANSMITTAL)

Please refer to the PensionGold Employer Reporting System instructions for either Manual Entry or Transmittal File Entry for information pertaining to the submission of retirement contributions to the System. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552 and dial extension 224 to speak with **Katie Luttrell**.

ADDRESS CHANGE
(FORM 115)

Notification to the Oklahoma Police Pension and Retirement System of all home address changes is very important (i.e. the home address is used for the mailing of the Active Member Statements, Deferred Option Statements, ballots for the election of Board Members, etc.). Please provide Form 115 for completion to be made by the officer or by authorized municipal staff and forward this form to the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov.

OFFICER SALARY INCREASES
(FORM 101)

Retired members from your participating municipality may be eligible for an increase in their pension benefit as a result of the raises given to active officers. Report any paid base salary increase given to your active police officers to the Oklahoma Police Pension and Retirement System using Form 101.

This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

PURCHASE OF PRIOR SERVICE

Whenever a participating member has terminated covered employment and has withdrawn the participating member's accumulated contributions and has rejoined the System, the participating member, upon proper application and approval by the Board, may pay to the System the sum of the accumulated contributions which were withdrawn plus ten percent (10%) annual interest from the date of the withdrawal and shall receive the same benefits as if the participating member had never withdrawn the contributions. To receive credit for prior service, all required contributions and interest must be paid within ninety (90) days of Board approval of the application. There is no application form for the purchase of prior service. The participating member should send a request in writing to the Oklahoma Police Pension and Retirement System. The System will obtain certification of the membership from the respective municipality and notify the applicant after the Board's consideration. Please refer to 11 O.S. Section 50-111.1 for statutory language governing purchase of prior service.

TRANSFER OF CREDITED SERVICE FROM OTHER STATE RETIREMENT SYSTEMS

A participating member of the Oklahoma Police Pension and Retirement System may receive up to five (5) years of credited service accumulated by the participating member while a participating member of the Oklahoma Firefighters Pension and Retirement System, Oklahoma Law Enforcement Retirement System, Teacher's Retirement System of Oklahoma, Oklahoma Public Employees Retirement System, or a county retirement system created pursuant to 19 O.S. Section 951 or an Oklahoma municipal retirement system, if the participating member is not receiving or eligible to receive retirement credit from said service in any other public retirement system. The purchase price for transferred credited service shall be based on the actuarial cost of the incremental projected benefits to be purchased.

In the event the participating member is unable to pay the purchase price by the due date, the State Board shall permit the participating member to amortize the purchase price over a period not to exceed sixty (60) months. Said payments shall be made by payroll deductions unless the State Board permits an alternate payment source. The amortization shall include interest in an amount not to exceed the actuarially assumed interest rate adopted by the State Board for investment earnings each year. Any participating member who ceases to make payment, terminates, retires or dies before completing the payments provided for in 11 O.S. Section 50-111.4 shall receive prorated service credit for only those payments made, unless the unpaid balance is paid by said participating member, his or her estate or successor in interest within six (6) months after said participating member's death, termination of employment or retirement, provided no retirement benefits shall be payable until the unpaid balance is paid, unless said participating member or beneficiary affirmatively waives the additional six-month period in which to pay the unpaid balance.

The transferred credited service of the participating member from another Oklahoma state retirement system shall not alter the participating member's normal retirement date or vesting requirements. The

transferred credited service will be added after the participating member reaches normal retirement date or vesting date.

The participating member should send a written request to the Oklahoma Police Pension and Retirement System. The System will obtain certification of membership from the respective retirement system and notify the applicant after the Board's consideration.

Please refer to 11 O.S. Section 50-111.2, 50-111.4, and OAC 550:20 for statutory language and administrative rules governing transfer of credited service from other state retirement systems.

GOVERNMENTAL CONTRACT SERVICE CREDIT

A participating member who terminates employment for the purpose of performing service as a police officer on a contract basis for the United States Department of Defense (DOD) or for the State Department of the United States in a war zone may purchase not to exceed one (1) year of service credit for the period of time during which the member performed services for either of such entities, or any branch of the United States military or other entity operating under authority of the DOD or the State Department, by making payment of all required employer and employee contributions for the period of service during which the member was so privately employed.

The contributions required shall be paid by the member within one (1) year of becoming reemployed by a participating employer of the System.

Service credit purchased shall be counted for purposes of vesting, normal retirement date, eligibility to participate in the Deferred Option Plan authorized by 11 O.S. Section 50-111.3 and for purposes of computing the retirement benefit of the member.

Application may be made by written request to the Board. The municipality will need to provide a complete history reflecting the base salary and contributions by pay period as though the participating member did not have a leave of absence. The participating member is responsible for paying his/her contributions and the municipality contributions as well. The System will notify the participating member after Board consideration.

Please refer to 11 O.S. Section 50-111.2A for statutory language governing the purchase of credited service related to such private employment.

CREDIT FOR MILITARY SERVICE

The Uniformed Services Employment and Re-Employment Act of 1994 (USERRA) provides that a person reemployed shall be treated as not having incurred a break in service for pension plan purposes (38 U.S.C. Section 4318(a)(2)(A)). Pension plan accrual and vesting continues during an employee's military service (38 U.S.C. Section 4318(b)(2)). The statute provides that there is no forfeiture of benefits that have already accrued (38 U.S.C. Section 4318(2)(B)). The employer and employee are required to pay their respective contributions for the period of time in which the employee was in military service in order to receive pension credit for their military service (38 U.S.C. Section 4318(b)(2)).

A returning member, upon completion of a period of service in the uniformed services, must notify the participating municipality of their intent to return to the participating municipality as a police officer and report to work within certain time periods, pursuant to 38 (U.S.C. Section 4312(e)).

The returning member of the System and participating municipality have a time period equal to three times the amount of military service time but in any case no longer than five years to make up the required contributions (38 U.S.C. Section 4318(b)(2)). In order for the participating municipality and the Oklahoma Police Pension and Retirement System to comply with USERRA these procedures must be followed.

When a participating member notifies a participating municipality of active duty, the participating municipality must submit to the System a completed Notice of Leave of Absence for Military Service (Form 125), and copies of the orders, if available.

While a participating member is on military leave pursuant to USERRA, the participating municipality must continue to submit regularly scheduled contributions to the System on behalf of the participating member and the participating municipality for any period of <u>paid</u> time. If the participating member is receiving intermittent pay during the military service leave (such as for paid leave time), the participating municipality must continue to contribute for the time that the participating member is being paid.

When the member returns from active duty, the participating municipality must submit to the System a completed Notice of Return from Leave of Absence for Military Service (Form 126), a copy of the member's orders and/or DD-214. The Historic Payroll Record for Military Service Leave (Form 130) reflects the base salary by pay period for the military service. This record would appear as though the participating member did not leave for military leave of absence and would include any compensation increases, promotions or other adjustments that would normally have occurred during the period of the leave. The participating member is responsible for paying his/her contributions. The participating municipality must pay its contributions as well.

The System is required to give the participating member service credit for purposes of vesting (military service time counts toward credited service time). However, the participating member has the option to make up the contributions for the period served in the military if the participating member wants to receive the credited service for purposes of benefit accrual. Should the member decide to make up the missed contributions, please submit a completed Service Credit Purchase Application (Form 127). Once a completed Form 127 has been received by this office, an Election to Purchase Service form will be issued to the member for competition.

If you have any questions, contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

TEMPORARY DISABILITY BENEFIT

Whenever any participating member of the police department of any participating municipality is unable to perform the participating member's duties because of sickness or temporary disability caused or sustained while in the discharge of the participating member's duty as such participating member, notwithstanding the provisions of Sections 11 and 12 of Title 85 of the Oklahoma Statutes, the salary shall be paid by the participating municipality to the participating member. The participating member's salary shall continue while the participating member is sick or temporarily disabled for a period of not more than six (6) months with the participating municipality having the option of extending the period for up to an additional six (6) months, not to exceed a total of twelve (12) months, after which said period the provisions for permanent total or permanent partial disability benefits of the Oklahoma Police Pension and Retirement System shall apply. Should a participating member receiving a salary under 11 O.S. Section 50-116.1 be eligible to receive, and should the salary of the participating member under this section exceed any temporary disability benefit paid to the participating member under Section 1 et seq. of Title 85 of the Oklahoma Statutes, the participating member shall transfer said temporary disability benefits under Section 1 et seq. of Title 85 of the Oklahoma Statutes to the participating municipality while the participating member is sick or temporarily disabled.

Please refer to 11 O.S. Section 50-116.1 for statutory language governing temporary disability benefits.

DISABILITY BENEFIT IN LINE OF DUTY
(FORM 103 or 103A)

The State Board is authorized to pay a disability benefit to a participating member of the System or a pension to the beneficiaries of such participating member. The State Board must find that the participating member incurred a permanent total disability or a permanent partial disability while in, and in consequence of, the performance of duty as a police officer. The disability benefit is payable immediately upon determination of eligibility. Any preexisting condition identified at the time of any initial or subsequent membership shall be used to offset the percentage of impairment to the whole person in determining any disability benefit. Once the initial disability benefit has been awarded by the Board on the basis of the percentage of impairment to the whole person, the participating member shall have no further recourse to increase the awarded percentage of impairment.

In order for any participating member to be eligible for any disability benefit, or the participating member's beneficiaries to be eligible for a pension, the participating member must have complied with any agreement as to contributions.

Before making a finding as to the disability of a participating member, the State Board may require the following:

1. Application for Disability Benefit in Line of Duty (Form 103 or 103A).
2. Evidence of injury in the line of duty and /or evidence of exposure to hazardous chemicals in the line of duty (e.g., copy of accident/injury report(s) or other proof that disability was incurred while in, and in consequence of, the performance of duty as an officer).
3. A certificate as to such disability made by a physician licensed to practice in this state.
4. The participating municipality must show cause to the State Board that there is no position as a sworn officer within the police department of that participating municipality which the participating member can fill.
5. Authorization to Release Medical/Psychiatric/Psychological information signed by applicant (Form 117).

Upon determination by the State Board that a participating member has incurred a permanent in-line disability as a result of physical or mental causes, the member shall be awarded a benefit as follows:

1% to 49% impairment to whole person = 50% of the normal disability benefit

50% to 74% impairment to whole person = 75% of the normal disability benefit

75% to 100% impairment to whole person = 100% of the normal disability benefit

In the event of the death of any participating member who has been awarded a disability benefit or is eligible therefore, the participating member's beneficiary shall be paid the benefit.

Please refer to 11 O.S. Section 50-115 and OAC 550:10-1-5 for statutory language and administrative rules governing disability benefit in line of duty.

File a completed Application for Disability Benefit in Line of Duty (Form 103 or 103A) and, as needed, items 2, 3, 4, and 5 above with the Oklahoma Police Pension and Retirement System. These forms are available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

MEDICAL/PSYCHIATRIC/PSYCHOLOGICAL RELEASE
(FORM 117)

Form 117 must be signed and dated by the applicant. Attach a list of doctors and/or hospitals with their addresses and telephone numbers that the applicant has seen for treatment or evaluation which pertains to applicant's disability. This information is requested to provide the Board's physician with complete medical history before being examined for disability. This release must accompany Form 103 or 103A, and is available on our website at www.opprs.ok.gov.

If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

DISABILITY BENEFIT NOT IN LINE OF DUTY
(FORM 103 or 103A)

The State Board is authorized to pay a disability benefit to a participating member of the System or a pension to the beneficiaries of such participating member. Such disability benefit shall be payable immediately upon determination of eligibility. Any preexisting condition identified at the time of initial or subsequent membership shall be used to offset the percentage of impairment to the whole person in determining any disability benefit. Once the initial disability benefit has been awarded by the Board on the basis of the percentage of impairment to the whole person, the participating member shall have no further recourse to increase the awarded percentage of impairment.

In order for any participating member to be eligible for any disability benefit or the participating member's beneficiaries to be eligible for a pension, the participating member must have complied with any agreement as to contributions.

The participating member must have served a minimum of ten (10) years and incurred a permanent total disability or permanent partial disability for any cause.

Before making a finding as to disability of a participating member, the State Board shall require the following:

1. Application for disability benefit not in line of duty, Form 103 or 103A.
2. A certificate as to such disability from a physician licensed to practice in this state.
3. The participating municipality must show cause to the State Board that there is no position as a sworn officer within the police department of that participating municipality which the participating member can fill.
4. Authorization to Release Medical/Psychiatric/Psychological Information (Form 117) signed by applicant and list of doctors and/or hospitals with addresses and telephone numbers.

Upon determination by the State Board that a participating member is physically or mentally disabled and the disability is permanent and total and that the participating member has completed ten (10) years of credited service and is disabled by any cause, the participating member shall receive a disability benefit on the basis of the participating member's accrued retirement benefit.

Upon determination by the State Board that a participating member is physically or mentally disabled and that the disability is permanent and partial and that the participating member has completed ten (10) years of credited service as a participating member and is disabled from any cause, the participating member shall be awarded a disability benefit on the basis of the participating member's years of credited service as a participating member and the percentage of impairment to the whole person, as defined by the most current standards of the impairment as outlined in the "American Medical Association's Guides to the Evaluation of Permanent Impairment", on the basis of the following table:

1% to 24% impaired = 25% of accrued retirement benefit

25% to 49% impaired = 50% of accrued retirement benefit

50% to 74% impaired = 75% of accrued retirement benefit

75% to 99% impaired = 90% of accrued retirement benefit

In the event of the death of any participating member who has been awarded a disability benefit or is eligible therefore, the participating member's beneficiary shall be paid the benefit.

Please refer to 11 O.S. Section 50-115 for statutory language governing disability benefit not in the line of duty.

File a completed Application for Disability Benefit Not in Line of Duty (Form 103 or 103A) and items 2, 3 and 4 above with the Oklahoma Police Pension and Retirement System. These forms are available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

MEDICAL/ PSYCHIATRIC/PSYCHOLOGICAL RELEASE
(FORM 117)

Form 117 must be signed and dated by the applicant. Attach a list of doctors and/or hospitals with their addresses and telephone numbers that the applicant has seen for treatment or evaluation which pertains to applicant's disability. This information is requested to provide the Board's physician with complete medical history before being examined for disability. This release must accompany Form 103 or 103A, and is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

SURVIVOR'S PENSION FOR DEATH IN LINE OF DUTY AND DEATH BENEFIT
(FORM 104)

The State Board is authorized to pay a pension to the beneficiary (see definition of beneficiary) of any participating member where requirements for eligibility for such pension are met. The pension shall be in an amount as the State Board shall provide not exceeding the accrued retirement benefit or normal disability benefit. Before any beneficiary of a participating member shall be entitled to any pension the participating member must have complied with any agreement as to contributions by the participating member and the State Board must find that:

1. The participating member lost his or her life while in, and in consequence of, the performance of the participating member's duty and through no negligence on the participating member's part; and
2. That the participating member left a beneficiary.

If such finding is made, a pension shall be allowed. The pension shall commence to the beneficiary of the participating member within one (1) year of the death of the participating member and, except as otherwise provided in 11 O.S. Section 50-101 et seq., shall be payable over the life of the beneficiary. If the beneficiary is the spouse of a participating member, the benefit will continue for the life of the spouse. If the beneficiary is a child of the participating member, the pension payments shall cease automatically when the child reaches eighteen (18) years of age. If the child is enrolled in a public or private school as a full time student and provides verification of enrollment and grades from the previous semester, the benefit will continue until the last day of the month in which the child becomes twenty-two (22) years of age.

Please refer to 11 O.S. Section 50-115(B)(1), 50-115.2, and 50-117 for statutory language governing survivor's pension for death in line of duty.

File a completed Application for Survivor's Pension for Death in Line of Duty and Death Benefit (Form 104) and copies of marriage license (if applicable), death certificate, and children's birth certificates (if applicable) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

SURVIVOR'S PENSION FOR DEATH NOT IN LINE OF DUTY AND DEATH BENEFIT (FORM 105)

The State Board is authorized to pay a pension to the beneficiary (see definition of beneficiary) of any participating member where requirements for eligibility for such pension are met. The pension shall be in an amount as the State Board shall provide not exceeding the accrued retirement benefit or normal disability benefit. Before any beneficiary of a participating member shall be entitled to any pension the participating member must have complied with any agreement as to contributions by the participating member and the State Board must find that:

1. The participating member has completed ten (10) years of credited service and died from any cause.
2. That the participating member left a beneficiary.

If such finding is made, a pension shall be allowed. The pension shall commence to the beneficiary of the participating member within one (1) year of the death of the participating member and, except as otherwise provided in this section, shall be payable over the life of the beneficiary. The surviving spouse must have been married to the participating member for the thirty (30) continuous months immediately preceding the participating member's death. If the beneficiary is a child of the participating member, the pension payments shall cease automatically when the child reaches eighteen (18) years of age. If the child is enrolled in a public or private school as a full time student and provides verification of enrollment and grades from the previous semester the benefit will continue until the last day of the month in which the child becomes twenty-two (22) years of age.

Please refer to 11 O.S. Section 50-115, 50-115.2, and 50-117 for statutory language governing survivor's pension for death not in line of duty. File a completed Application for Survivor's Pension for Death Not in Line and Death Benefit (Form 105) and copies of marriage license (if applicable), death certificate, and children's birth certificates (if applicable) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

OKLAHOMA POLICE DEFERRED OPTION PLAN
(FORM 111)

The Oklahoma Police Deferred Option Plan allows an active participating member who has not less than twenty (20) years of creditable service, who is eligible to receive a service retirement pension, an election to participate in the Oklahoma Police Deferred Option Plan. In lieu of terminating employment and accepting a service retirement pension, the eligible participating member defers the receipts of benefits under the provisions of the Oklahoma Police Deferred Option Plan.

The duration of participation in the Oklahoma Police Deferred Option Plan for a participating member shall not exceed five (5) years. At the conclusion of a participating member's participation in the Oklahoma Police Deferred Option Plan, the participating member shall terminate employment with all participating municipalities as an officer and shall start receiving the participating member's accrued monthly retirement benefit from the System. Please refer to 11 O.S. Section 50-111.3 and OAC 550:15 for statutory language and administrative rules governing the Oklahoma Police Deferred Option Plan.

I. APPLICATION

A. The applicant must have twenty (20) years or more of credited service with the Oklahoma Police Pension and Retirement System to be eligible.

B. The applicant must submit his/her completed application in the Oklahoma Police Deferred Option Plan.

C. The effective date of membership will be the first day of the month.

D. Participation in the Oklahoma Police Deferred Option Plan is irrevocable once the Board has approved the application and the participating member's option account has been credited with the first contribution or benefit.

II. CONTRIBUTIONS

A. The final participating member contribution made to the Oklahoma Police Pension and Retirement System shall be for the last pay period prior to the first of the month in which the participating member becomes a participant in the Oklahoma Police Deferred Option Plan.

B. The employer's contribution will continue to the Oklahoma Police Pension and Retirement System.

C. The participating member's option account shall be credited fifty percent (50%) of the employer's contributions received for the participating member and the Oklahoma Police Pension and Retirement System shall be credited fifty percent (50%). The credit to the participating

member's option account shall be made the next work day after receipt of the employer's contributions.

D. Only the participating member's portion of the employer's contribution will be credited to the participating member's option account. No other contributions will be accepted.

III. BENEFITS

A. The monthly retirement benefit that would have been payable had the participating member elected to cease employment and receive a service retirement shall be credited into the participating member's option account.

B. The participating member's service retirement benefit freezes and at no time will he/she be allowed to increase his/her pension benefit due to additional years of service.

C. The monthly retirement benefit will be credited to the participating member's option account the last day of the month.

D. A participating member who participates in this plan shall be eligible to receive cost of living increases.

IV. INTEREST

A. The participating member's option account shall earn interest at a rate of two percent (2%) below the rate of return of the total investment portfolio of the System, but no less than the actuarial assumed interest rate established at the beginning of the fiscal year as certified by the actuary and approved by the Board in the yearly evaluation report of the actuary. This report is on a fiscal year basis ending on June 30.

B. The Fund's annual rate of return shall be calculated and certified by the Board's financial consultant. The annual rate of return shall be for the fiscal year ending June 30.

C. The interest shall be credited to the participating member's option account on an annual basis which is defined as fiscal year ending June 30. The amount of the interest credited shall be calculated at simple interest. The formula for calculating the interest shall be the amount of the deposit times the certified return, less two percent (2%), divided by 365 days, times the number of days the deposit was credited to the participating member's option account for the fiscal year.

D. Each participating member shall receive an itemized statement at least on an annual basis.

E. Upon completion of the five (5) year term in the Oklahoma Police Deferred Option Plan or earlier termination of employment by the participating member, annual interest calculated through the last day of the month employed and certified by the Board's financial consultant will be credited to the participating member's option plan account provided the annual rate of return is greater than the actuarial assumed interest rate. If the rate of return is less than the actuarial assumed rate then the participating member's option account will be credited at the assumed interest rate of the last actuarial report.

F. Once the participating member's option account reaches the maximum time of five (5) years or at the election of the participating member he/she terminates prior to the five (5) year maximum, the participating member's option account ceases to earn interest.

File a completed Deferred Option Plan Application (Form 111) with the Oklahoma Police Pension and Retirement System. The Oklahoma Police Pension and Retirement Board will consider the application at their next regular meeting. A letter will advise you of the participating member's starting date in the Oklahoma Police Deferred Option Plan and the pay period ending for the last employee contribution. The employer's contributions will continue to the Oklahoma Police Pension and Retirement System. Three (3) months prior to the completion of the five (5) years in the Plan, or upon notification by participating member or participating municipality if less than five (5) years, the Oklahoma Police Pension and Retirement System will mail all required forms to terminate the Oklahoma Police Deferred Option Plan and retire. These forms include Deferred Option Plan Notice of Termination, direct deposit, federal and state tax forms for the participating member's pension benefit, Deferred Option Payout Provision Election, and the disbursement selection form for distribution from the Oklahoma Police Deferred Option Plan. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

TERMINATION AND PAY OUT OF DEFERRED OPTION PLAN
(FORM 112)

The duration of participation in the Oklahoma Police Deferred Option Plan for a participating member shall not exceed five (5) years. At the conclusion of a participating member's participation in the Oklahoma Police Deferred Option Plan, the participating member shall terminate employment with all participating municipalities as an officer and shall start receiving the participating member's accrued monthly retirement benefit from the System.

Three (3) months prior to the completion of five (5) years in the Plan, or upon notification by participating member or participating municipality if less than five (5) years, the Oklahoma Police Pension and Retirement System will mail all required forms to terminate the Oklahoma Police Deferred Option Plan and retire. These forms include the direct deposit form, federal and state tax withholding form for the participating member's pension benefit, Deferred Option Payout Provision Election Form, and the disbursement selection form for distribution from the Oklahoma Police Deferred Option Plan. Please refer to 11 O.S. Section 50-111.3 and OAC 550:15 for statutory language and administrative rules governing the Oklahoma Police Deferred Option Plan.

V. PAYMENT

A. The participating member should make payment selection a minimum of thirty (30) days prior to termination using the form provided by the System.

B. The participating member may select a lump sum payment, equal to the participating member's Plan account, which will be paid directly to the participating member by the Oklahoma Police Deferred Option Plan. This payment will be made after the last contribution has been received and interest is applied following termination.

C. The participating member may select an annuity. The annuity provider which is selected by the participating member shall be the result of the participating member's own research and investigation. The participating member's option account balance will be transferred directly to the participating member's selected annuity provider. If the participating member does not select an annuity provider the participating member shall receive a lump sum payment equal to the participating member's Plan account balance.

D. The participating member may elect to transfer their Deferred Option Account balance to a Deferred Option Payout Account to be invested with the portfolio of the System. See the Deferred Option Payout Provision Policy on page 62.

E. Once the participating member's Plan account, equal to the payments to the account, has been paid to the participating member or to the participating member's annuity provider the member

shall not have any recourse against the Oklahoma Police Deferred Option Plan or the Oklahoma Police Pension and Retirement System.

F. The Oklahoma Police Deferred Option Plan shall not be subject to any fees or charges from the annuity provider.

File a completed Deferred Option Plan Notice of Termination (Form 112) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

DEFERRED OPTION PAYOUT PROVISION POLICY

The Oklahoma Police Pension and Retirement System allows a member who is on the Oklahoma Police Deferred Option Plan under the Forward Drop or the Back Drop provisions to elect a transfer of their Deferred Option Account balance to a Deferred Option Payout Account. The member who makes this election must submit to the System a completed Deferred Option Payout Provision Election form (Form 134) no more than thirty (30) days following termination of employment with a participating municipality.

Pursuant to 11 O.S. § 50-111.3(F)(3), the Oklahoma Police Pension and Retirement Board ("Board") has approved a method of payment (Payout Provision) as follows to-wit:

I. PURPOSE

A retired member who has completed participation in the Oklahoma Police Deferred Option Plan under the Forward Drop or the Back Drop provisions may elect to leave their Deferred Option Account balance in the Fund. The retired member's Deferred Option Payout Account balance will be commingled and invested with the total pension fund and as such the retired member will not be able to direct their investments. The retired member must make a written election to the Oklahoma Police Pension and Retirement Board no more than 30 days following termination of employment with a participating municipality or within 30 days of the implementation of this policy.

II. ELECTION

1. The retired member must be participating in the Deferred Option Plan under the Forward Drop provision or by making application for the Deferred Option Plan under the Back Drop provision.

2. The retired member must submit to the Oklahoma Police Pension and Retirement System ("System") his or her completed election form to participate in the Oklahoma Police Deferred Option Payout Provision. Forms will be provided by the System.

3. The effective date of the Oklahoma Police Deferred Option Payout Provision will be the first day of the month following completion of participation in the Oklahoma Police Deferred Forward Drop or Back Drop provisions.

4. Once the Board has approved the written election for the Oklahoma Police Deferred Option Payout Provision, the retired member's Deferred Option Account balance will be transferred to a Deferred Option Payout Account.

5. Should a retired member fail to elect this method of payment as provided for in this policy within 30 days of termination of employment with a participating municipality or within 30 days of implementation of this policy, then and in that event, the retired member shall receive their Oklahoma Police Deferred Option Plan Account balance in accordance with the provisions of 11 O.S. § 50-111.3(F)(1) or (F)(2).

6. Should the retired member elect to leave their Deferred Option Account balance in the Fund to be invested with the investment portfolio of the System, such retired member shall not have any recourse against the Oklahoma Police Deferred Option Plan, the System, its Executive Director, staff, and/or Board for any type of additional benefits including, but not limited to, interest applied to the retired member's Deferred Option Payout Account balance based on the net annual rate of return of the investment portfolio of the System.

III. BENEFITS/CONTRIBUTIONS

1. Once the retired member's Deferred Option Account balance has been transferred into the Deferred Option Payout Account, no further contributions or benefits shall be accepted into the Payout Account.

IV. INVESTMENTS

1. The retired member's Deferred Option Payout Account balance will be commingled and invested with the total pension fund and as such the retired member will not be able to direct their investments.

2. The fund's investments are diversified and based upon a long-term time horizon. The Board will add, change or terminate strategies and investment managers based on recommendations from the Board's financial consultant.

3. The Board's investment strategy is to meet or exceed the actuarial assumption rate of 7.5% per annum. This may or may not be in accordance with investment strategies of the retired member.

V. INTEREST

1. Should a retired member elect to participate in the Deferred Option Payout Provision following the completion of participation in the Deferred Option Plan, the retired member shall not be guaranteed a minimum rate of return.

2. Past rates of return of the investment portfolio of the System do not guarantee future rates of return.

3. The fund's net annual rate of return shall be calculated and certified by the Board's financial consultant. The net annual rate of return shall be for the fiscal year ending June 30.

4. A retired member who elects to participate in the Deferred Option Payout Provision shall earn interest as follows:

   a. Should the net annual rate of return of the investment portfolio of the System be greater than 2%, the retired member's Deferred Option Payout Account balance shall earn interest at a rate of two percentage points below the net annual rate of return of the investment portfolio of the System.

   b. Should the net annual rate of return of the investment portfolio of the System be less than two percentage points but equal to or greater than zero percentage points, a retired member's Deferred Option Payout Account balance shall earn interest of zero percentage points.

   c. Should the net annual rate of return of the investment portfolio of the System be less than zero percentage points, there shall be a reduction in the Deferred Option Payout Account balance of the retired member equal to the net annual rate of return of the investment portfolio of the System.

5. Interest, if any, shall be credited to the retired member's Deferred Option Payout Account on an annual basis which is defined as fiscal year ending June 30. The formula for calculating the interest shall be the balance of the Deferred Option Payout Account times the interest rate (determined by number 4 above), divided by the number of days in the fiscal year, and multiplied by the number of days the balance was deposited into the Payout Account for the fiscal year.

6. Each retired member shall receive an itemized statement on an annual basis following fiscal year end.

VI. PAYMENT

1. The retired member must submit a completed election form for termination of his or her participation in the Deferred Option Payout Provision and make a payment selection a minimum of thirty (30) days prior to terminating the Payout Provision.

2. A retired member may leave their Deferred Option Payout Account balance in the Fund until age 70 ½, at which time the retired member shall withdraw their entire Deferred Option Payout Account balance. Should a retired member decide to withdraw monies from their Deferred Option Payout Account prior to reaching age 70 ½, the retired member must withdraw their Deferred Option Payout Account balance in total.

3. When a retired member has participated in the Deferred Option Payout Provision until the maximum age of 70 ½ or if the retired member elects to withdraw the Deferred Option Payout Account balance prior to age 70 ½, the retired member's Deferred Option Payout Account balance ceases to earn interest.

4. At the time the retired member elects to withdraw the Deferred Option Payout Account balance, annual interest calculated through the last day of the month in which the retired member has elected to withdraw and certified by the Board's financial consultant will be credited to the retired member's Deferred Option Payout Account.

5. The retired member may select a lump sum payment, equal to the retired member's Deferred Option Payout Account balance, which will be paid directly to the retired member by the System. This payment will be made after interest, if any, is applied following termination from this Payout Provision and after receipt of the completed payment selection form.

6. The retired member may select a direct rollover of his or her distributions in accordance with OAC 550:1-7-5. If the retired member does not select an Eligible Retirement Plan as described in OAC 550:1-7-5, or an annuity, the retired member shall receive a lump-sum payment equal to the retired member's Deferred Option Payout Account balance.

7. The retired member may select an annuity to be provided by a third party. The System shall not be subject to any fees or charges from the annuity provider.

8. Once the retired member's Deferred Option Payout Account balance has been paid to the retired member, as a direct rollover or to the retired member's annuity provider, the retired member shall not have any recourse against the Oklahoma Police Deferred Option Plan, the System, its Executive Director, staff, and/or Board.

9. Should the retired member die during the period of the participation in the Deferred Option Payout Provision, a beneficiary may elect to receive a lump sum payment equal to the retired member's account balance. A beneficiary who is a surviving spouse of a retired member may also elect a direct rollover of the Deferred Option Payout Account balance in accordance with OAC 550:1-7-5. If there is no beneficiary or if the beneficiary predeceases the retired member a lump sum payment equal to the account balance shall be paid to the estate of the retired member.

VII. BENEFICIARIES

Should the retired member die prior to withdrawing the Deferred Option Payout Account balance, the beneficiary as defined in 11 O.S. §50-101(13) or estate shall receive the Oklahoma Police Deferred Option Payout Plan Account balance in accordance with the provisions of 11 O.S. § 50-111.3(F)(1) or (F)(2).

VIII. EFFECTIVE DATE

The effective date of implementation of this policy shall be July 1, 2006.

TERMINATION AND PAY OUT OF DEFERRED OPTION PLAN AND DEATH BENEFIT (FORM 112A)

BENEFICIARIES

If the participant dies during the period of participation in the Oklahoma Police Deferred Option Plan ("Plan"), a lump sum payment or selected annuity, if qualified, equal to the account balance of the participant shall be paid to the beneficiary of the participant or if there is no beneficiary or if the beneficiary predeceased the participant a lump sum payment shall be paid to the estate of the participant. Please refer to 11 O.S. Section 50-111.3 and OAC 550:15 for statutory language and administrative rules governing the Plan.

File a completed Application for Deferred Option Plan Notice of Termination and Death Benefit (Form 112A) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

OKLAHOMA POLICE DEFERRED OPTION PLAN UNDER THE BACK DROP PROVISION
(FORM 120)

The Oklahoma Police Pension and Retirement System allows an active officer to participate in the Oklahoma Police Deferred Option Plan under the Back Drop provision, provided the active officer has not begun participation in the Oklahoma Police Deferred Option Plan.

Please refer to 11 O.S. Section 50-111.3(H) and OAC 550:15-1-3 for statutory language and administrative rules governing the Oklahoma Police Deferred Option Plan under the Back DROP provision. The following definitions apply to the Back DROP Plan.

Back DROP date means the member's normal retirement date or the date five (5) years before the member elects to participate in the Oklahoma Police Deferred Option Plan, whichever date is later.

Termination date means the date the member elects to participate in the Oklahoma Police Deferred Back DROP plan **and** the date the member terminates employment with all participating municipalities as an active police officer, such termination has at all times included reemployment of a member by a participating municipality only if such reemployment is as a police chief or in a position not covered by the System

Earlier attained credited service means the credited service earned by a member as of the Back DROP date and earlier attained credited service cannot be reduced to less than twenty (20) years of credited service.

Deferred Benefit balance means all monthly retirement benefits that would have been payable had the member elected to cease employment on the Back DROP date and receive a service retirement from the Back DROP date to the termination date, all of the member's contributions and one-half (1/2) of the employer contributions from the Back DROP date to the termination date, with interest based on how the benefit would have accumulated as if the member had participated in the Oklahoma Police Deferred Option Plan from the Back DROP date to the termination date.

The monthly pension benefit will be based on the earlier attained credited service and on the final average salary as of the Back DROP date.

If a member who has not less than twenty (20) years of creditable service and who is eligible to receive a service retirement pension dies prior to terminating employment, the surviving spouse shall be eligible to elect to participate in the Oklahoma Police Deferred Option Plan under the Back DROP provision on the day immediately preceding the death. The surviving spouse must have been married to the member for the thirty (30) continuous months preceding the member's death; provided, the surviving spouse of a member who died while in, and as a consequence of, the

performance of the member's duty for a participating municipality shall not be subject to the thirty-month marriage requirement for this election.

Application Requirements:

1. The applicant shall have more than twenty (20) years of credited service.

2. The applicant shall not Back DROP more than five (5) years.

3. The applicant **must terminate employment** with all participating municipalities as an active officer, such termination has at all times included reemployment of a member by a participating municipality only if such reemployment is as a police chief or a position not covered under the System.

4. The applicant must file a completed Application for Participation in the Oklahoma Police Deferred Option Plan under the Back DROP Provision (Form 120) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

SERVICE PENSION
(FORM 106)

The state Board is hereby authorized to pay out of funds in the System a monthly service pension to any eligible member, not exceeding in any event the amount of money in such funds and not exceeding in any event the accrued retirement benefit for such member. In order for a member to be eligible for such service pension the following requirements must be complied with:

1. The member's service with the police department of any participating municipality must have ceased, though the member may be reemployed as police chief;
2. The participating member must have reached the participating member's normal retirement date; and
3. The participating member must have complied with any agreement as to contributions by the participating member and other participating members to any funds of the System where said agreement has been made; provided, that should a retired participating member receive disability benefits, the time the retired participating member is receiving said disability benefits shall count as time on active service if the retired participating member should be recalled by the Chief of Police from said disability retirement. It shall be necessary before said time shall be counted toward retirement that the retired participating member make the same contribution as the participating member would have otherwise made if on active service for the time the retired participating member was disabled.

Any participating member complying with all requirements and who reaches normal retirement date, upon application, shall be retired at the accrued retirement benefit. When a participating member has served for the necessary number of years and is otherwise eligible, if such participating member is discharged without cause by the participating municipality, the participating member shall be eligible for a pension. Upon completion of twenty (20) years of creditable service with a police department of a participating municipality, a participating member may retire and begin drawing a pension benefit. The formula for calculating the pension benefit is as follows: 2 ½% of the average monthly salary multiplied by the years of creditable service. Please refer to 11 O.S. Section 50-114 for statutory language governing service pension.

File a completed Application for Service Pension (Form 106) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

BENEFICIARY'S CONTINUATION OF PENSION AND DEATH BENEFIT
(FORM 107)

In the event of the death of any participating member who has been awarded a retirement benefit, such participating member's beneficiaries shall be paid such retirement benefit.

The beneficiary is the surviving spouse or any surviving children including biological and adopted children, at the time of the participating member's death. The surviving spouse must have been married to the participating member for thirty (30) continuous months immediately preceding the participating member's death. A surviving child shall be the beneficiary should there not be a surviving spouse. The child of a participating member shall be a beneficiary until reaching eighteen (18) years of age or twenty-two (22) years of age if the child is enrolled full time and regularly attending a public or private school or any institution of higher education. Any child adopted by a participating member after the participating member's retirement shall be a beneficiary only if the child is adopted by the participating member thirty (30) continuous months preceding the participating member's death.

Please refer to 11 O.S. Section 50-114(D), 50-115.2, and 50-117 for statutory language governing survivor's continuation of pension and death benefit.

The beneficiary (see definition of beneficiary) must file a completed Application for Beneficiary's Continuation of Pension and Death Benefit (Form 107), copies of death certificate, marriage license or child(s) birth certificate(s) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

DEATH OF RETIRED MEMBER WITHOUT BENEFICIARY
APPLICATION FOR MONIES DUE THE ESTATE FROM THE SYSTEM
(FORM 113)

Upon the death of a retired participating member, the benefit payment for the month in which the retired participating member died, if not previously paid, shall be made to the participating member's estate if there is no beneficiary. Such benefit payment shall be made in an amount equal to a full monthly benefit payment regardless of the day of the month in which the retired participating member died.

For estates whose value exceeds Twenty Thousand Dollars ($20,000.00), the personal representative of the estate of the deceased must have filed a probate action in a court of competent jurisdiction, have been issued either letters testamentary or letters of administration, and must furnish the Oklahoma Police Pension and Retirement System with a tax identification number.

For estates whose value does not exceed Twenty Thousand Dollars ($20,000.00), the provisions of 58 O.S. Sections 393 and 394 shall apply. In addition, a tax identification number must be furnished to the Oklahoma Police Pension and Retirement System.

File a completed Application for Monies Due the Estate from the System (Form 113), a copy of the death certificate, and letters testamentary, letters of administration, or the Affidavit of Heirship (Form 119) with the Oklahoma Police Pension and Retirement System.

This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

DEATH BENEFIT

Upon the death of an active or retired participating member, the Oklahoma Police Pension and Retirement System shall pay to the beneficiary of the participating member or if there is no beneficiary, or if the beneficiary predeceased the participating member, to the estate of the participating member, the sum of Five Thousand Dollars ($5,000.00) as a death benefit. A completed Form 104, Form 105, Form 107, Form 109A, or Form 112A from the beneficiary; or a completed Form 109A, Form 112A, or Form 113 from the legal representative of the estate must be filed with the Oklahoma Police Pension and Retirement System for this death benefit.

The following documents must accompany the written request from the legal representative of the estate:

1. Death Certificate.
2. Certified court document appointing legal representative or an Affidavit of Heirship (Form 119).
3. Estate Tax I.D. Number – Must contain nine digits.
4. Mailing address of legal representative.

Please refer to 11 O.S. Section 50-115.2 for statutory language governing death benefit.

VESTED BENEFIT
(FORM 108)

If a participating member who has completed ten (10) or more years of credited service elects the vested benefit, the participating member shall be entitled to a monthly retirement annuity commencing on the date the participating member reaches fifty (50) years of age **or** the date the participating member would have had twenty (20) years of credited service had the participating member's employment continued uninterrupted, whichever is **later**. The annual amount of such retirement annuity shall be equal to two and one-half percent (2 ½%) of the final average salary multiplied by the number of years of credited service.

If a participating member who terminates employment and elects a vested benefit dies prior to being eligible to receive benefits, the participating member's beneficiary shall be entitled to the participating member's normal monthly accrued retirement benefits on the date the deceased participating member would have been eligible to receive the benefit.

Please refer to 11 O.S. Section 50-111.1 for statutory language governing application for vested benefit. File a completed Application for Vested Benefit (Form 108) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

REFUND OF CONTRIBUTIONS
(FORM 109)

A participating member with ten (10) or more years of credited service is eligible for a vested benefit. Please refer to vested benefit option before proceeding with refund application.

A participating member who terminates his/her service before normal retirement date, other than by death or disability shall, upon application filed with the State Board, be refunded from the Fund an amount equal to the accumulated contributions the participating member has made to the Fund, but excluding any interest or any amount contributed by the participating municipality or state. If a participating member withdraws the member's accumulated contributions, such participating member shall not have any recourse against the System for any type of additional benefits including, but not limited to, disability benefits.

Employee and city contributions must be paid through the participating member's last day of employment. Do not deduct contributions from vacation, sick pay, compensation time or holiday pay when paid as a lump sum payment at termination.

NOTICE: Contributions paid into the System after 01/01/89, are subject to taxes. Applicant is responsible for payment of any taxes due. The System will mail tax Form 1099R at the end of same year of the withdrawal. Each participating member must keep the System advised of a current address. Refunds of contributions shall be paid by the System on the last business day of the month following receipt of last payroll contribution and Board approval. Please refer to 11 O.S. Section 50-111.1 for statutory language governing the refund of contributions.

File a complete Application for Refund of Contribution (Form 109) with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.

REFUND OF CONTRIBUTIONS AND DEATH BENEFIT
(FORM 109A)

The State Board is authorized to pay a refund of contributions to the beneficiary (see definition of beneficiary) of a participating member when the participating member dies not in the line of duty prior to vesting, and when the requirements for eligibility for such a refund have been met. If an active participating member dies and does not leave a beneficiary, the accumulated contributions made to the System by the participating member shall be paid to the estate of the member.

NOTICE: Contributions paid into the System after 01/01/89, are subject to taxes. Applicant is responsible for payment of any taxes due. The System will mail tax Form 1099R at the end of same year of the withdrawal. Each applicant must keep the System advised of a current address. Refunds of contributions shall be paid by the System on the last business day of the month following receipt of last payroll contribution and Board approval.

Please refer to 11 O.S. Section 50-111.1(D), 50-114(D), 50-115.2, OAC 550:1-7-1 for statutory language and administrative rules governing the refund of contributions to the beneficiary or the estate.

A completed Application for Refund of Contributions and Death Benefit (Form 109A), a copy of the death certificate, and a copy of the marriage license (if beneficiary is spouse), a copy of the birth certificate (if beneficiary is a child), or letters testamentary, letters of administration, or an Affidavit of Heirship (Form 119) if for the estate, must be filed with the Oklahoma Police Pension and Retirement System. This form is available on our website at www.opprs.ok.gov. If you have any questions, please contact the Oklahoma Police Pension and Retirement System at (405) 840-3555 or (800) 347-6552. Municipalities beginning with a letter between A through K and Oklahoma City dial extension 226 and speak with **Leanette Rios**. All other municipalities should dial extension 225 and speak with **Angela McCullough**.