

**TITLE 270. OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**  
**CHAPTER 10. FIREFIGHTERS PENSION AND RETIREMENT PLAN**

**270:10-1-8. Standard operating procedures**

**(a) Benefits.**

- (1) All pension benefits are paid in arrears the last working day of the month.
- (2) In determining a paid member's normal retirement date, fractional round-up of months and days shall not be used even if the member has volunteer credited service.
- (3) If a member serves the majority of the final month of service, the final month will count as a full month of credited service.
- (4) Where longevity pay or other salary which requires contributions is paid in a lump sum to a member, only the amount that would have been paid for a member's last thirty (30) months of credited service will be used for determining final average salary.
- (5) Retirement pursuant to 11 O.S. § 49-106 has at times included reemployment of a member by a participating municipality in a position which is not covered by the System. Thus, in-service distributions from the System to such a member are permitted. If a retired member is reemployed by a participating municipality in a paid position which is covered by the System, such member's monthly retirement payments shall cease during such period.

**(b) Clerks and fire chiefs.**

- (1) The clerk and/or the fire chief of a participating municipality, fire protection district, county fire department or development authority are responsible for the administration of local retirement issues affecting all members of the System, including but not limited to enrollment of eligible members, assisting members in making application for benefits, and collection and payment of employer and member contributions.
- (2) The clerk and/or the fire chief shall notify the System of any changes regarding active members such as termination, mailing addresses, and deaths. The fire chief will assist the clerk in obtaining necessary information concerning active members. Notices of termination must be provided on the System's Form 8 and shall be signed by the Fire Chief.

**(c) Volunteer firefighters.**

- (1) A member of the System changing status from a paid member to a volunteer member is not entitled to combine the paid credited service and the subsequent volunteer credited service towards a paid or a volunteer pension. If a paid member whose first service with a participating employer of

the System occurs prior to November 1, 2013, has completed ten (10) years but less than twenty (20) years of credited service, or a paid member whose first service with a participating employer of the System occurs on or after November 1, 2013, has completed eleven (11) years but less than twenty-two (22) years of credited service, such member would be eligible for a paid vested benefit upon meeting the requirements set forth in 11 O.S. Section 49-117.1. The member whose first service with a participating employer of the System occurs prior to November 1, 2013, would need to complete ten (10) or more years as a volunteer member to be eligible to receive a vested volunteer benefit and a member whose first service with a participating employer of the System occurs on or after November 1, 2013 would need to complete eleven (11) or more years as a volunteer member to be eligible to receive a vested volunteer benefit as set forth in 11 O.S. Section 49-101.

(2) Volunteer members are deemed to be employees of a fire department of a participating municipality for the purposes of the administration of the System.

(d) **State Board.**

(1) Applications for pension benefits will not be considered by the State Board until the applicant terminates employment with the fire department of a participating municipality on or before the date of the meeting of the State Board in which the application is considered.

(2) Applications for pension benefits, entrance into the system, refunds of contributions, etc. will be placed on the State Board agenda when all paperwork has been properly completed and received by the system. All necessary paperwork should be filed with the system no later than the Friday preceding the State Board's regular meeting so as to allow for sufficient time to process the application.

(e) **Member deaths and beneficiaries.**

(1) Guardian checks will be addressed with the Guardian's name and the statement: "Guardian of \_\_\_\_\_" on the face of the check.

(2) The Estate of the retiree or beneficiary shall be entitled to the benefit check written for the month a retiree or beneficiary dies.

(3) To continue monthly benefits on a child who has reached eighteen (18) years of age, verification that the child is enrolled full-time in an accredited school of learning must be received by the System. Documentation is required each semester until the child reaches twenty-two (22) years of age or marries at which time the benefits will cease.

(4) Step-children and grandchildren of members are not beneficiaries unless they are adopted by the member.

(5) Children adopted prior to January 1, 1981, are considered beneficiaries even though the child(ren) may have been adopted after the member's retirement date.

(6) A valid marriage certificate or other necessary proof of marriage is required before an Application of Surviving Spouse for Pension can be considered by the State Board.

(f) **Membership.**

(1) A part-time firefighter shall not belong to the System.

(2) All firefighters must be members of the System if their employer is a participating municipality in the System.

(3) A candidate for a paid firefighter position must first complete a required State Board approved pre-employment physical performance/agility test and physical examination in order to participate and receive any benefits from the System. The physical examination will be reviewed by a physician, selected by the State Board, to determine if the applicant meets the required medical standards. When the System receives all the information necessary for entrance into the System, including the written notice from the physician, selected by the State Board, that the candidate has met the minimum medical requirements for entrance, the Executive Director shall have the authority to approve an entrance date for the candidate no earlier than the date all the necessary information for entrance is received or the actual hire date whichever is later, provided that the date between the time of the administration of the physical examination and the approval for membership in the System by the Executive Director and the candidate's actual hire date by the participating municipality is less than six (6) months. The State Board shall have the authority to deny or revoke the membership of a candidate submitting false information in such candidate's membership application and shall have the final authority in determining eligibility for membership in the System.

(4) An applicant for a paid firefighter position, who is an active volunteer firefighter with the same fire department, and who has passed the physical performance/agility test approved by the State Board as a condition for entrance as a volunteer firefighter shall only be required to pass the physical examination upon being employed as a paid firefighter if employed by the same fire department.

(5) A terminated paid firefighter who returns to work as a paid firefighter within six (6) months of his or her termination date will not be required to complete another physical examination.

(6) The classification of a paid firefighter shall be a firefighter who is carried on the city payroll as a paid firefighter and who receives a salary which is more than twice the amount of the minimum pension of a volunteer firefighter. Any firefighter making more than this amount will need to complete the required physical performance/agility test and physical exam and his or her employer must remit both the employee and employer contributions to the System.

(g) **Credited Service.**

(1) If a firefighter is off the participating municipality's payroll for a period of time and employer and employee contributions are not received by the System, that period of time will not count as credited service until said contributions are received by the System.

(2) New volunteer cities joining the System may purchase up to five (5) years of credited service for each member of the department at the annual rate in effect as of the date of purchase, provided verifiable evidence of active firefighter service for the purchased years for each individual is provided to the System. Even though a city is exempt from contributions, contributions must be paid for a volunteer firefighter to receive purchased credit.

(3) If a question arises concerning a member's correct amount of service time, the member must submit to the State Board three (3) affidavits, based upon the actual knowledge of the member's correct service time, and all other necessary documentation, as may be required by the State Board. The Chairman of the State Board may direct a member of the State Board or an employee of the System to visit the member and the city in question for further verification. Service time may be corrected to allow not more than twenty (20) years of service for a member of the Oklahoma Firefighters Pension and Retirement System whose first employment with a participating employer of the System occurs prior to November 1, 2013, or not more than twenty-two (22) years of service for a member of the Oklahoma Firefighters Pension and Retirement System whose first employment with a participating employer of the System occurs on or after November 1, 2013.

(4) Credited Service under 11 O.S. Section 49-138(C)(2) includes service in the following areas of responsibility and during the following time periods:

(A) former Yugoslavia (including Bosnia-Herzegovina, Croatia, and Macedonia) from November 21, 1995 to October 12, 1998;

(B) Kosovo from March 24, 1999 to May 1, 2000;

(C) the U.S. war in Afghanistan from September 14, 2001 to December 18, 2014; and

(D) the Iraq war from March 3, 2003 to December 15, 2011.

(h) **Disability.**

(1) Applications for disability pensions shall provide medical evidence certifying the disability, proof of injury unless otherwise provided, and that the applicant can no longer perform the duties of a firefighter. The proof of injury must be proof of the specific injury that prevented the disability pension applicant from continuing the duties of a firefighter from the time of injury until present. In a case where a disability applicant returned to performing the duties of a firefighter at any time following the injury, the proof of injury must be accompanied by proof that certifies cumulative evidence of a continuing condition relating to that specific injury until the time of filing the disability application. In a case where a firefighter returned to a "light duty" or "restricted duty" only status, proof certifying the disability applicant's work status from the injury time until present shall be submitted along with the disability application. The application shall be filed with the Local Board, if the Local Board exists, or the Executive Director of the System. The existing Local Board or the Executive Director of the System will determine if additional medical evidence is required. If additional medical evidence is required, the State Board shall be responsible for payment of any physical examinations and certifications.

(2) If any additional medical evidence is produced concerning a disability pension application, said medical evidence must be presented to the Local Board, if the Local Board exists, or the Executive Director before the State Board considers the application. If an applicant requests a hearing before the State Board, all evidence concerning the application may be presented providing all parties affected by the hearing agree.

(3) A stroke condition that has been medically certified to be caused by heart disease shall be categorized as heart disease for the purpose of applying line of duty presumptions pursuant to 11 O.S. §49-110.

(4) Any additional medical testing requested by a physician for the purpose of certification of a disability at the request of an existing Local Board shall be approved by the Executive Director of the System prior to the medical testing.

(5) A volunteer member who has completed more than ten (10) years of credited service shall be eligible for consideration of a disability in line of duty pension and entitled to the

presumptions pursuant to the provisions of 11 O.S. §49-110 provided that competent medical evidence is presented to support the certification of said disability request.

(6) A participating municipality may make an application for a disability pension on behalf of a member provided that medical evidence is presented supporting the existence of a disability. The member may present medical evidence to the contrary.

(7) If there are physician's statements presented which disagree or there is only one physician statement presented, then the Local Board, if one exists, or the Executive Director shall have the medical records examined by a physician of their choosing. If the participating municipality has made the application request and the member presents contrary medical evidence it shall be the responsibility of the existing Local Board or the Executive Director to obtain an authorization of release of medical records from the member prior to the third physician examination.

(i) **Local Boards.**

(1) If an existing Local Board desires to have a member, who is receiving a disability pension, re-examined by a physician for the purposes of certifying if a disability still exists, the request shall be approved by the State Board.

(2) An existing Local Board meets when necessary to review applications for benefits and disability benefits. The Local Board minutes must show action taken by roll call vote. In cities and towns where the city clerk and city treasurer hold both positions the local board becomes a five (5) member board. The board members shall elect a vice-chairman from among all board members who shall assume the duties of the mayor/chairman in that person's absence.

(3) Any action taken by the local board must be documented. The local board must present objective evidence to the State Board regarding its recommendation. The State Board will consider only the evidence actually presented. The State Board will act upon the evidence presented and render a final decision.

(4) If the city charter provides, the city council or similar authority, in the absence of the mayor, city clerk or the treasurer, may designate an authorized official as a replacement member of the local board, such as a vice-mayor if he or she has the responsibilities of the mayor. A firefighter member of the local board cannot send a replacement. Only local board members present at a local board meeting may vote. The chairman shall have a casting vote with the members only when necessary to avoid a tie vote

among local board members. All local board meetings are subject to the Open Meeting Act.

(j) **Contributions.**

(1) There shall be a sixty (60) day waiting period of refund of contributions. If the firefighter requesting the refund of contributions was terminated from service, which resulted in litigation or administrative action, the refund of contributions will not be made until there is a final judgment or conclusion to the litigation or administrative action.

(2) Gross salary shall include but not be limited to base salary, longevity pay, fire service training and other education pay, scuba pay, out of class pay, one time bonus pay earned during the current twelve (12) month period of employment, and buy back pay when paid on an annual basis and available to all firefighters. Gross salary shall not include payment for unscheduled overtime, payment for accumulated sick, annual or any other similar leave upon termination from employment, any uniform or clothing allowance, car allowance or any other compensation for reimbursement of out-of-pocket expenses. All other compensation not specifically mentioned must have contributions paid on them. Contributions shall be deducted from gross salary prior to federal and state income tax withholdings deductions.

(3) Volunteer pension contributions are due on July 1 of each year. Cities, towns or fire protection districts subject to the statutory exemption from payment of volunteer contributions shall file for the exemption with the System on an annual basis.

(4) Workers Compensation benefits shall not be considered a part of gross salary for the purpose of determining pension benefits. The System will not accept member contributions related to workers compensation.

(5) If a paid member terminated employment prior to January 1, 1981, and then subsequently returns to work as a paid member after January 1, 1981 and then again terminates, contributions paid in prior to January 1, 1981 would not be refundable.

(6) Salary means a predetermined sum payable at specified and regular times for services rendered, including benefits accumulated and paid as salary; furthermore, any salary received that is to be used in computing a "final average salary" shall be reduced or pro-rated to a monthly amount. It shall be a violation of this section to establish a special pay plan for the purpose of evading the intent of this section.

(k) **Reinstatement of Prior Service.**

(1) If a paid firefighter terminates employment and receives a refund of contributions and then subsequently returns to work for a participating municipality, all withdrawn contributions must be paid back to the System plus 10 percent (10%) interest per annum (from the date the member received his or her accumulated contributions to the date of repayment) in order for the member to receive credit for the missed credited service time.

(2) The member's payment must be made to the System within ninety (90) days following acceptance of the member's application for reinstatement of prior service.

(3) The member may pay for reinstatement of prior service by a lump-sum payment by check or money order. The member may also pay for reinstatement of prior service by a lump-sum payment (with interest) of non-Roth funds from a Code Section 403(b) annuity, a governmental 457 plan within Oklahoma or a Code Section 401(a) qualified plan.

**(1) Deferred Option Plan (Plan B).**

(1) Upon termination of employment, a member participating in the Deferred Option Plan (Plan B) pursuant to 11 O.S. Section 49-106.1 A, B, C, D, E and F shall have the following options:

(A) Receive a lump sum payment of the member's total account balance, an annuity, a partial lump sum payment or withdrawal, or installment payments of the member's accumulated Plan B balance as described below. Direct rollovers are permitted pursuant to the provisions of 11 O.S. Section 49-106.3. Pursuant to 11 O.S., Section 49-106.1.F., the approved method of payment for any interest earnings credited to a member's Plan B account balance on or about June 30, 2018, and thereafter, as described in (E) of this paragraph, is either a direct lump sum payment of the interest earned for the applicable plan year, or the payment or transfer of the interest earned for the applicable plan year to an Eligible Retirement Plan as defined in 11 O.S., Section 49-106.3. Failure to make an election of either a direct lump sum payment of the interest earned for the applicable plan year, or the payment or transfer of the interest earned for the applicable plan year to an Eligible Retirement Plan shall result in:

(i) an automatic rollover of the interest earned for the applicable plan year to an individual retirement plan, consistent with the mandatory distribution rules of Section 401(a)(31) of the Internal Revenue Code of 1986, as amended, for any member before the member



attains the later of age 62 or the member's normal retirement date; and

(ii) a direct lump sum distribution to the member for any other member before such member attains age seventy and one-half (70 ½).

(B) Subject to the required minimum distribution provisions of 11 O.S. Section 49-106 ("IRS Required Minimum Distribution") and the mandatory interest distribution provisions of (E) of this paragraph, the State Board retains custody of the member's remaining accumulated Plan B balance until there is a complete and final payout of a member's entire Plan B balance. No more than once a month, the member may elect, with eight (8) working days advance written notice, to change such payout period or payout amount for installment payments.

(C) In addition to the installment payments, a member may elect, with eight (8) working days advance written notice, a withdrawal, but no more than one such withdrawal may be made per month and each withdrawal must be as of the last working day of a month. If such withdrawal is made after installment payments have commenced, appropriate adjustments may be made in the installment payout period to reflect such withdrawal.

(D) To the extent the Plan B balance is to be paid to the member's surviving spouse whether as a designated recipient or by statute, then if the member dies with a balance in the account, such balance will be paid in a lump sum or will continue to be paid in the same manner as was applicable to the member, as elected by the surviving spouse who meets the requirements of paragraph 16 of 11 O.S., Section 49-100.1, except that automatic rollover of the mandatory distribution of interest shall not apply. Any designated recipient who is not the surviving spouse shall receive a lump sum payment from the account equal to the balance in the account of the member or any other approved method of payment. If there are no surviving designated recipients, a lump sum payment from the account equal to the balance in the account shall be paid to the member's estate. For purposes of this subparagraph, if a trust is the designated recipient (even if the surviving spouse is a beneficiary under such trust), the deceased member's account balance may not remain in the Deferred Option Plan (Plan B) after the member's death.

(E) The interest earned annually on the Plan B account balances shall be calculated based on the return of the investment portfolio of the fund on June 30 of each year as provided in 11 O.S., Section 49-106.1(E) (2) and shall

be credited as of June 30 for such plan year. The determined annual interest rate shall be applied on a pro rata account balance in the year the rate is established. Commencing with the plan year ending on June 30, 2018 and for each plan year thereafter, for retired members, disabled members and surviving spouses receiving monthly retirement benefits from the System (Plan A benefits), the interest earned annually on the member's accumulated Plan B balance shall be determined as of June 30 of such plan year and shall be distributed each year as follows:

- (i) on or about June 30, 2018, and on or about each subsequent June 30, of such plan year, the initial distribution of interest earnings calculated based on the actuarial assumed interest rate on the first day of the plan year as certified by the actuary in the yearly valuation report shall be distributed; and
- (ii) by September 30 of the following plan year, a true-up distribution of any additional earnings posted to a member's account above the interest earnings provided for in (i) of this subparagraph, shall be distributed.

(F) The amount of the mandatory distribution of interest for any plan year shall be reduced by the amount of voluntary withdrawals from the member's Plan B balance during the plan year. No individual shall receive both a mandatory distribution of interest and an IRS Required Minimum Distribution in the same calendar year. In a calendar year in which the System would otherwise distribute both a mandatory distribution of interest and an IRS Required Minimum Distribution to an individual, the IRS Required Minimum Distribution shall be made and not the mandatory distribution of interest. If the member dies before receiving the mandatory distribution of interest, the member's surviving spouse will receive the mandatory distribution of interest. If the member dies before receiving the mandatory distribution of interest with a nonspouse designated beneficiary (or the estate as the recipient), such nonspouse designated beneficiary (or estate) will receive the mandatory distribution of interest as part of a payout of the entire account. If a member withdraws all of his or her account balance prior to June 30 of a given plan year, the member shall receive at the time of withdrawal, a distribution of interest earnings on the withdrawn amount equal to the actuarial assumed interest rate as certified by the actuary in the yearly valuation report of the actuary on a pro rata basis. If the annual interest earnings calculated on June

30 of a given year exceed the actuarial assumed interest rate as certified by the actuary in the yearly valuation report of the actuary, a member who withdraws all of his or her account balance prior to June 30 of said plan year shall receive a distribution of additional interest earnings equal to the difference between the minimum actuarial interest rate and the calculated interest rate on a pro rata basis.

(G) At the conclusion of a member's participation in Plan B, the member must terminate employment and shall start receiving the member's accrued monthly retirement benefit from the System. Such a member may be reemployed by a participating municipality and receive in-service distributions of such member's accrued monthly benefit from the System, but only in a position not covered by the System.

(2) Participation in the Oklahoma Firefighters Deferred Option Plan must begin the first day of a month.

(3) For a lump sum payment, direct rollover or a combination thereof, which is paid when the regular monthly benefits commence (Plan A), an exclusion ratio must be calculated and applied to the distribution amount from Plan B to determine the portion that may be excluded from income. This exclusion ratio will equal the member's after-tax contributions to the System divided by the expected return. The expected return is the sum of: (A) the member's accumulated Plan B balance plus (B) the amount of the value of the monthly pension from Plan A that the member is expected to receive over time based on single life expectancy factors from Table V issued as part of the income tax regulations under Section 72 of the Internal Revenue Code of 1986.

(4) The rules under this subsection shall only apply to a member whose first employment with a participating employer of the System occurred before November 1, 2013.

(m) **Deferred Option Plan under the Back DROP Provision.**

(1) For purposes of this subsection, the definitions as stated in 11 O.S. Section 49-106.1 (H) (1) shall apply.

(2) In lieu of participating in the Deferred Option Plan (Plan B) pursuant to subsections A, B, C, D, E, F and G of 11 O.S. Section 49-106.1 (referred to herein as an election under Plan B), a member may elect to participate in the Deferred Option Plan pursuant to 11 O.S. Section 49-106.1(H) (referred to herein as an election under the Back DROP provision) and this subsection.

(A) The applicant must submit his or her completed application for participation in the Deferred Option Plan

under the Back DROP provision on the form provided by the System.

(B) The application must be received by the System no later than eight (8) working days from the end of the month in order to receive a payment at the end of that month. All distributions shall be paid on the last working day of a month.

(C) Upon the member's election to participate in the Deferred Option Plan under the Back DROP provision, the member's account balance shall remain in the System under the same conditions as described in (1) of this Section, until distributed.

(D) A member in the Back DROP has the same distribution options as described in (1)(1)(A), (B) and (C) of this Section.

(E) If the member dies with a balance in the account, such balance will be paid in a lump sum or will continue to be paid in the same manner as was applicable, as elected by the surviving spouse who meets the requirements of paragraph 16 of 11 O.S. Section 49-100.1. If there is no surviving spouse, any remaining beneficiaries shall receive a lump sum payment(s) from the account equal to the balance in the account of the member, or any other approved method of payment. If there are no surviving beneficiaries, a lump sum payment from the account equal to the balance in the account shall be paid to the member's estate. For purposes of this subparagraph, if a trust is the beneficiary (even if the surviving spouse is a beneficiary under such trust), the deceased member's account balance may not remain in the Deferred Option Plan (Plan B) after the member's death.

(3) At the member's termination date, his or her monthly pension benefit shall be determined based on earlier attained credited service and on the final average salary as of the back drop date. The member's individual deferred option account shall be credited with an amount equal to the deferred benefit balance, and the member shall terminate employment with all participating municipalities as a firefighter and the member shall start receiving the member's accrued monthly retirement benefit from the System. Such a member may be reemployed by a participating municipality and receive in-service distributions of such member's accrued monthly retirement benefit from the System, but only in a position not covered by the System. On the member's back drop date, the member's retirement benefit will be frozen, and at no time will the member be able to increase his or her

benefit due to additional years of service, salary or other promotional increases.

(4) The member's credit of his or her deferred benefit balance shall be as follows:

(A) An amount equal to the accumulated contributions the member made to the System from his or her back drop date to termination date with interest based upon how the benefit would have accumulated on a compound basis as if the member had participated in the Deferred Option Plan (Plan B) pursuant to 11 O.S. Section 49-106.1 A-E from his or her back drop date to termination date;

(B) An amount equal to 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 with applicable cost of living adjustments and with interest based on how the benefit would have accumulated on a compound basis as if the member had participated in the Deferred Option Plan pursuant to O.S. 11 Section 49-106.1 A-E from his or her back drop date to termination date; and

(C) An amount equal to 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 on a compound basis as if the member had participated in the Deferred Option Plan pursuant to 11 O.S. Section 49-106.1 A-E from his or her back drop date to termination date.

(5) The provisions of 11 O.S. Section 49-106.1 B, C, E, F and G shall apply to this subsection.

(6) A member shall not participate in the Deferred Option Plan pursuant to the Back DROP provision if the member is participating in Plan B pursuant to subsections A, B, C, D, E, F and G of 11 O.S. Section 49-106.1.

(7) For a lump sum payment, direct rollover or a combination thereof, which is paid when the regular monthly benefits commence (Plan A), an exclusion ratio must be calculated and applied to the distribution amount from the Back DROP to determine the portion that may be excluded from income. This exclusion ratio will equal the member's after-tax contributions to the System divided by the expected return. The expected return is the sum of: (A) the member's deferred benefit balance plus (B) the amount of the value of the monthly pension from Plan A that the member is expected to receive over time based on single life expectancy factors from Table V issued as part of the income tax regulations under Section 72 of the Internal Revenue Code of 1986.

(8) The rules under this subsection shall only apply to a member whose first employment with a participating employer of the System occurred before November 1, 2013.

**(n) Deferred Option Plan (Plan B) For A Member of the System Whose First Employment With A Participating Employer of the System Occurs On Or After November 1, 2013. [RESERVED]**

**(o) Vested Rights.**

(1) A paid firefighter who terminated active service with more than ten (10) years of credited service with the System prior to July 8, 1985, must return to active service as a paid firefighter in order to establish vested rights.

(2) A volunteer firefighter who terminated active service with ten (10) years of credited service with the System prior to July 20, 1987, must return to active service as a volunteer firefighter in order to establish vested rights.

**(p) Automatic Rollover.**

(1) "Mandatory distribution" means a distribution that is an eligible rollover distribution subject to Section 401(a)(31) of the Internal Revenue Code of 1986, as amended, and is made without the member's consent to a member before the member attains the later of age 62 or normal retirement date. A distribution to a surviving spouse, alternate payee, or a distribution made upon a member's death is not a mandatory distribution for purposes of the automatic rollover requirements of Section 401(a)(31)(B) of the Internal Revenue Code of 1986, as amended.

(2) In the event of a mandatory distribution greater than \$1,000 made on or after June 28, 2018, if the member does not elect to have such distribution paid directly to an eligible retirement plan specified by the member in a direct rollover or to receive the distribution directly, then the State Board shall pay the distribution in a direct rollover to an individual retirement plan designated by the State Board. For purposes of determining whether a mandatory distribution is greater than \$1,000, the portion of the member's distribution attributable to any rollover contribution is included.