RBH No. 9568

An Act

ENROLLED HOUSE
BILL NO. 2623

By: McDaniel (Randy) of the House

and

Anderson of the Senate

An Act relating to the Teachers' Retirement System; providing that members of the System who have final felony convictions forfeit retirement benefits; excluding deferred sentences; delaying benefits until completion of deferred sentence; excluding certain member contributions; providing that members of the System who have left active contributory service and who have certain final felony convictions forfeit retirement benefits; providing for rejection of claims; providing that suspension or forfeiture continues until conviction or plea is reversed by highest appellate court; providing notice and hearing procedure; providing procedure for investigation and suspension of benefits; providing for codification; and providing an effective date.

SUBJECT: Teachers' Retirement System

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-116.2D of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Any member of the System upon final conviction of, or pleading guilty or nolo contendere to, a felony in a state or federal court of competent jurisdiction shall forfeit all retirement benefits provided by law; however, the forfeiture of retirement benefits shall not occur if any such member of the System received a

deferred sentence, but retirement benefits shall not commence prior to completion of the deferred sentence. The forfeiture of retirement benefits required by this subsection shall not include such member's contributions to the retirement system or retirement benefits that are vested on the effective date of this act.

B. The forfeiture of retirement benefits as provided by subsection A of this section shall also apply to any member of the System who, after leaving active contributory employment, is convicted of, or pleads guilty or nolo contendere to, in a state or federal court of competent jurisdiction, a felony committed while in such employment, where the felony is for bribery, corruption, forgery or perjury or any other crime related to the duties of his or her employment, or related to campaign contributions or campaign financing for that or any other office.

C. Any claims for payment of retirement benefits to any such member of the System suspended from or forfeiting his or her retirement benefits shall be rejected by the System.

D. Such suspension or forfeiture shall continue until such time as the conviction or guilty plea is reversed by the highest appellate court to which the member may appeal.

E. The attorney responsible for prosecuting such members of the System shall notify the System of the forfeiture of such member's retirement benefits. Upon receipt of the notice of forfeiture, the System shall immediately suspend all benefits of the member, and notify the member of his or her right to a hearing to review whether the conviction or plea qualifies for forfeiture of benefits under this section. If the conviction or plea occurs in federal court or the notice of forfeiture is not forthcoming from the state prosecutor, the System may investigate and gather court documents and contact prosecutors to determine whether the conviction or plea qualifies under this section. Upon obtaining sufficient documentation of the conviction or plea, the retirement system shall immediately suspend all benefits of the member, and notify the member of his or her right to a hearing to review whether the conviction or plea qualifies for forfeiture of benefits under this section.

SECTION 2. This act shall become effective November 1, 2012.

Passed the House of Representatives the 7th day of March, 2012.

Presiding Officer of the House of Representatives

Passed the Senate the 9th day of April, 2012.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 10th

day of April, **20** 12,

at 11:30 **o'clock** AM.

By: Jessica R. Rogers

Approved by the Governor of the State of Oklahoma the 16th **day of**

April, **20** 12, **at** 12:20 **o'clock** PM.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this

16th **day of** April, **20** 12,

at 2:02 **o'clock** P **M.**

By: Michelle R Day

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March 5, 2012

Representative Randy McDaniel
Room 302-B

Re: HB 2623-FA1
RBH No. 9568

HB 2623-FA1 calls for the forfeiture of OTRS retirement benefits upon conviction of a felony while employed or for an act committed during employment if the participant has terminated employment. If the participant has received a deferred sentence, benefits will be suspended upon the completion of the deferred period

HB 2623-FA1 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA