

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 1458

By: Kane

AS INTRODUCED

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2021, Section 916.1, which relates to death benefits; permitting beneficiaries to disclaim death benefits; providing for transfer of death benefits; providing that disclaimer shall be in writing; providing time period to be received by the transferor; discharging and releasing System from liability, obligation, and costs; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 916.1, is amended to read as follows:

Section 916.1. A. Upon the death of a retired member, the Oklahoma Public Employees Retirement System shall pay to the beneficiary of the member or if there is no beneficiary or if the beneficiary predeceases the member, to the estate of the member, the sum of Four Thousand Dollars (\$4,000.00) as a death benefit for those retired members who died prior to July 1, 1999. For those retired members who died on or after July 1, 1999, the sum shall be Five Thousand Dollars (\$5,000.00). The benefit payable pursuant to

1 this subsection shall be deemed, for purposes of federal income
2 taxation, as life insurance proceeds and not as a death benefit if
3 the Internal Revenue Service approves this provision pursuant to a
4 private letter ruling request which shall be submitted by the board
5 of trustees of the System for that purpose.

6 B. Upon the death of a member who dies leaving no living
7 beneficiary or having designated his estate as beneficiary, the
8 System may pay any applicable death benefit, unpaid contributions,
9 or unpaid benefit which may be subject to probate, in an amount of
10 Twenty-five Thousand Dollars (\$25,000.00) or less, without the
11 intervention of the probate court or probate procedure pursuant to
12 Section 1 et seq. of Title 58 of the Oklahoma Statutes.

13 1. Before any applicable probate procedure may be waived, the
14 System must be in receipt of the member's proof of death and the
15 following documents from those persons claiming to be the legal
16 heirs of the deceased member:

17 a. the member's valid last will and testament, trust
18 documents or affidavit that a will does not exist,
19 b. an affidavit or affidavits of heirship which must
20 state:

21 (1) the names and signatures of all claiming heirs to
22 the deceased member's estate including the
23 claiming heirs' names, relationship to the
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1 deceased, current addresses and current telephone
2 numbers,

3 (2) a statement or statements by the claiming heirs
4 that no application or petition for the
5 appointment of a personal representative is
6 pending or has been granted in any jurisdiction,

7 (3) a description of the personal property claimed
8 (i.e., death benefit or unpaid contributions or
9 both), together with a statement that such
10 personal property is subject to probate, and

11 (4) a statement by each individual claiming heir
12 identifying the amount of personal property that
13 the heir is claiming from the System, and that
14 the heir has been notified of, is aware of and
15 consents to the identified claims of all the
16 other claiming heirs of the deceased member
17 pending with the System,

18 c. a written agreement or agreements signed by all
19 claiming heirs of the deceased member which provides
20 that the claiming heirs release, discharge and hold
21 harmless the System from any and all liability,
22 obligations and costs which it may incur as a result
23 of making a payment to any of the deceased member's
24 heirs,

1 d. a corroborating affidavit from an individual other
2 than a claiming heir, who was familiar with the
3 affairs of the deceased member, and

4 e. proof that all debts of the deceased member, including
5 payment of last sickness, hospital, medical, death,
6 funeral and burial expenses have been paid or provided
7 for.

8 2. The Executive Director of the System shall retain complete
9 discretion in determining which requests for probate waiver may be
10 granted or denied, for any reason. Should the System have any
11 question as to the validity of any document presented by the
12 claiming heirs, or as to any statement or assertion contained
13 therein, the probate requirement provided for in Section 1 et seq.
14 of Title 58 of the Oklahoma Statutes shall not be waived.

15 3. After paying any death benefits or unpaid contributions to
16 any claiming heirs as provided pursuant to this subsection, the
17 System is discharged and released from any and all liability,
18 obligation and costs to the same extent as if the System had dealt
19 with a personal representative of the deceased member. The System
20 is not required to inquire into the truth of any matter specified in
21 this subsection or into the payment of any estate tax liability.

22 C. ~~Death~~ The beneficiary or beneficiaries of death benefits
23 provided pursuant to this section may be assigned by the beneficiary
24 elect to disclaim the death benefits, in which case such benefits

1 shall be transferred to a person licensed as a funeral director or
2 to a lawfully recognized business entity licensed as required by law
3 to provide funeral services for the deceased member. The qualified
4 disclaimer shall be in writing and shall be an irrevocable and
5 unqualified refusal to accept all or a portion of the death benefit.
6 It shall be received by the transferor no more than nine (9) months
7 after the later of the day the transfer creating the interest in the
8 disclaiming person is made or the day the disclaiming person attains
9 age twenty-one (21). The interest in the death benefits shall pass
10 without direction by the disclaiming person to another person.
11 After paying death benefits to any beneficiary or the member's
12 estate pursuant to this subsection, the System shall be discharged
13 and released from any and all liability, obligation, and costs. The
14 System is not required to inquire into the truth of any matter
15 specified in this subsection or into the payment of any tax
16 liability.

17 SECTION 2. This act shall become effective November 1, 2025.

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19 60-1-11377 CMA 12/10/24

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December 27, 2024

Representative Kane
Room 432

Re: RBH No. 11377

RBH No 11377 is a clarification bill dealing with assignment of the death benefit in Oklahoma Public Employees Retirement System.

RBS No. 11377 is a non fiscal bill as defined OPLAAA,

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Thomas E. Cummins

Thomas E. Cummins, MAAA