

1                   **SENATE FLOOR VERSION**

2                   April 15, 2025

3                   ENGROSSED HOUSE  
4                   BILL NO. 1458

5                   By: Kane of the House

6                   and

7                   Daniels of the Senate

8                   An Act relating to the Oklahoma Public Employees  
9                   Retirement System; amending 74 O.S. 2021, Section  
10                  916.1, which relates to death benefits; permitting  
11                  beneficiaries to disclaim death benefits; providing  
12                  for transfer of death benefits; providing that  
13                  disclaimer shall be in writing; providing time period  
14                  disclaimer is to be received by the transferor;  
15                  discharging and releasing System from liability,  
16                  obligation, and costs; and providing an effective  
17                  date.

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

19                  SECTION 1.       AMENDATORY       74 O.S. 2021, Section 916.1, is

20                  amended to read as follows:

21                  Section 916.1. A. Upon the death of a retired member, the  
22                  Oklahoma Public Employees Retirement System shall pay to the  
23                  beneficiary of the member or if there is no beneficiary or if the  
24                  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

1 | Five Thousand Dollars (\$5,000.00). The benefit payable pursuant to  
2 | this subsection shall be deemed, for purposes of federal income  
3 | taxation, as life insurance proceeds and not as a death benefit if  
4 | the Internal Revenue Service approves this provision pursuant to a  
5 | private letter ruling request which shall be submitted by the board  
6 | of trustees of the System for that purpose.

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

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

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

- 22 |              (1) the names and signatures of all claiming heirs to  
23 |              the deceased member's estate including the  
24 |              claiming heirs' names, relationship to the

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.

18               COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT  
19               RESOURCES  
20               April 15, 2025 - DO PASS

21

22

23

24