

## **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 1458

By: Kane of the House

and

## Daniels of the Senate

## 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

1 those retired members who died prior to July 1, 1999. For those  
2 retired members who died on or after July 1, 1999, the sum shall be  
3 Five Thousand Dollars (\$5,000.00). The benefit payable pursuant to  
4 this subsection shall be deemed, for purposes of federal income  
5 taxation, as life insurance proceeds and not as a death benefit if  
6 the Internal Revenue Service approves this provision pursuant to a  
7 private letter ruling request which shall be submitted by the board  
8 of trustees of the System for that purpose.

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

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

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

- 1                             (1) the names and signatures of all claiming heirs to  
2                             the deceased member's estate including the  
3                             claiming heirs' names, relationship to the  
4                             deceased, current addresses and current telephone  
5                             numbers,
- 6                             (2) a statement or statements by the claiming heirs  
7                             that no application or petition for the  
8                             appointment of a personal representative is  
9                             pending or has been granted in any jurisdiction,
- 10                            (3) a description of the personal property claimed  
11                             (i.e., death benefit or unpaid contributions or  
12                             both), together with a statement that such  
13                             personal property is subject to probate, and
- 14                            (4) a statement by each individual claiming heir  
15                             identifying the amount of personal property that  
16                             the heir is claiming from the System, and that  
17                             the heir has been notified of, is aware of and  
18                             consents to the identified claims of all the  
19                             other claiming heirs of the deceased member  
20                             pending with the System,
- 21                            c. a written agreement or agreements signed by all  
22                             claiming heirs of the deceased member which provides  
23                             that the claiming heirs release, discharge and hold  
24                             harmless the System from any and all liability,

1                   obligations and costs which it may incur as a result  
2                   of making a payment to any of the deceased member's  
3                   heirs,

- 4                   d. a corroborating affidavit from an individual other  
5                   than a claiming heir, who was familiar with the  
6                   affairs of the deceased member, and  
7                   e. proof that all debts of the deceased member, including  
8                   payment of last sickness, hospital, medical, death,  
9                   funeral and burial expenses have been paid or provided  
10                  for.

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

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

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

20           SECTION 2. This act shall become effective November 1, 2025.  
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22           COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated  
23           03/04/2025 - DO PASS.  
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