

**POLICY AND
PROCEDURE
MANUAL**

OF

**THE EMPLOYEES'
RETIREMENT SYSTEM
OF TULSA COUNTY,
OKLAHOMA**



Effective the 25th day of July, 2017.

TABLE OF CONTENTS

Resolution Adopting the Policy and Procedure Manual	i-ii
Preface	iii
CHAPTER I	
THE BOARD OF TRUSTEES OF THE EMPLOYEES’ RETIREMENT SYSTEM OF TULSA COUNTY	1
SECTION 1 - BOARD MEMBERSHIP	2
1.1 BOARD COMPOSITION	2
1.2 TERMS OF OFFICE	2
1.3 QUALIFICATIONS FOR MEMBERSHIP	2
1.4 ELECTION PROCEDURE FOR MEMBERS OF BOARD	3
1.5 FAILURE TO ATTEND BOARD MEETINGS	4
SECTION 2 - BOARD ORGANIZATION	5
2.1 BOARD OFFICERS	5
2.2 DUTIES OF THE CHAIRMAN OF THE BOARD	5
2.3 DUTIES OF THE VICE-CHAIRMAN OF THE BOARD	5
2.4 DUTIES OF THE RETIREMENT BOARD	6
2.5 INVESTMENT DUTIES OF THE RETIREMENT BOARD	6
2.6 FINANCIAL REPORTING AND ACTUARIAL DUTIES OF THE RETIREMENT BOARD	7
2.7 DUTIES OF THE RETIREMENT BOARD REGARDING PLAN PROVISIONS	7
2.8 INDEMNIFICATION	8
2.9 MEETINGS OF THE BOARD	8
SECTION 3 - BOARD GOVERNANCE	9
3.1 GOVERNING STYLE	9
3.2 CODE OF CONDUCT	9
3.3 GENERAL STANDARDS OF ETHICAL CONDUCT	10
3.4 ANYTHING OF VALUE DEFINED	10
3.5 DOING BUSINESS DEFINED	11

SECTION 4 - BOARD COMMITTEES	12
4.1 INVESTMENT COMMITTEE	12
4.2 LEGISLATIVE LIAISON COMMITTEE	12
4.3 OTHER NECESSARY COMMITTEES	12
SECTION 5 - BOARD TRAINING AND EDUCATION	13
5.1 BOARD EDUCATION	13
5.2 NEW MEMBER ORIENTATION EDUCATION	13
5.3 EDUCATION APPROVAL AND EXPENSES	13
5.4 REPORTING REQUIREMENTS	13
5.5 EXPENSE LIMITATIONS	14
CHAPTER II	
ADMINISTRATION OF THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY	15
SECTION 1 - EMPLOYEES ASSOCIATED WITH THE RETIREMENT SYSTEM	16
1.1 COUNTY CLERK'S OFFICE	16
1.2 EMPLOYEE CODE OF CONDUCT	16
1.3 GENERAL STANDARDS OF EMPLOYEE ETHICAL CONDUCT	16
1.4 DEFINITIONS	17
SECTION 2 - EMPLOYEE TRAINING AND EDUCATION	18
2.1 EMPLOYEE EDUCATION	18
2.2 NEW MEMBER ORIENTATION EDUCATION	18
2.3 EDUCATION APPROVAL AND EXPENSES	18
2.4 REPORTING REQUIREMENTS	18
2.5 EXPENSE LIMITATIONS	19
SECTION 3 - RELATIONSHIP WITH OTHER COUNTY ENTITIES	20
3.1 BOARD OF COUNTY COMMISSIONERS OF TULSA COUNTY	20
3.2 TULSA COUNTY BUDGET BOARD	20
3.3 TULSA COUNTY EXCISE BOARD	20
3.4 TULSA COUNTY TREASURER'S OFFICE	20
3.5 TULSA COUNTY CONTRIBUTIONS	21
3.6 TULSA COUNTY CLERK'S OFFICE	21

SECTION 4 – EXPENDITURES	22
4.1 TYPES OF EXPENDITURES	22
4.2 COUNTY WARRANTS	22
4.3 APPROVAL OF EXPENDITURES	22
4.4 BANK SERVICE CHARGES	22
SECTION 5 – COMMUNICATIONS	23
5.1 POLICY AND PROCEDURE MANUAL	23
5.2 NEW EMPLOYEES	23
5.3 METHODS OF COMMUNICATION	23
SECTION 6 - REQUESTS FOR PROPOSALS	25
6.1 PROFESSIONAL VENDOR SELECTION PROCESS	25
6.2 REQUESTS FOR PROPOSALS	25
6.3 REQUEST FOR PROPOSAL SPECIFICATIONS	25
6.4 EVALUATION OF PROPOSAL RESPONSES	26
6.5 FINAL SELECTION	27
6.6 CONTACT PROHIBITED	27
SECTION 7 - HEARINGS AND APPEALS	28
7.1 HEARING PROCEDURE	28
7.2 COMMENCEMENT OF APPEAL	28
7.3 REPRESENTATION	28
7.4 NOTICE OF HEARINGS	28
7.5 CONTINUANCES	29
7.6 FAILURE TO APPEAR	29
7.7 CONDUCT OF HEARING	29
7.8 HEARING OFFICER	29
7.9 ORDER OF HEARING	29
7.10 CLOSING THE RECORD	30
7.11 SUBPOENAS	30
7.12 FINAL ORDER	30
7.13 JUDICIAL REVIEW	30
7.14 EX PARTE COMMUNICATIONS	31
SECTION 8 - DECLARATORY RULINGS	32
8.1 GENERAL PROVISIONS	32
8.2 FORM OF PETITION	32

8.3	PROPOSED DRAFT	32
8.4	ADDITIONAL INFORMATION	32
8.5	EFFECT OF A DECLARATORY RULING	32
8.6	ISSUANCE OF A DECLARATORY RULING	33
8.7	CONTENTS OF A DECLARATORY RULING	33
8.8	DENIAL OF A PETITION FOR DECLARATORY RULING	33
8.9	WITHDRAWAL OF PETITION FOR DECLARATORY RULING	34
SECTION 9 - LEGAL OPINIONS		35
9.1	DISTRICT ATTORNEY OPINIONS	35
9.2	ATTORNEY GENERAL OPINIONS	35
CHAPTER III		
FINANCIAL AND INVESTMENT PROVISIONS FOR THE		
EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY		36
SECTION 1 - ANNUAL REPORTS		37
1.1	ANNUAL REPORT	37
1.2	CONTENTS OF ANNUAL REPORT	37
1.3	INTERIM REPORTS	38
1.4	ACTUARIAL REPORTS	38
SECTION 2 - STATEMENT OF INVESTMENT POLICY, GUIDELINES		
AND OBJECTIVES		39
2.1	INVESTMENT POLICY	39
2.2	INVESTMENT COMMITTEE	39
2.3	INVESTMENT CONSULTANT	39
2.4	INVESTMENT MANAGERS	39
2.5	CUSTODIAN	40
SECTION 3 - GENERAL STATEMENT REGARDING INVESTMENT		
POLICY AND INVESTMENT OBJECTIVES		41
3.1	GENERAL STATEMENT OF RESPONSIBILITY	41
3.2	RELATIONSHIP TO MANAGERS	41
3.3	ADOPTION AND REVIEW	41
3.4	STANDARD OF INVESTMENT	41
3.5	INVESTMENT PHILOSOPHY	42
3.6	INVESTMENT DISCRETION	42
3.7	EVALUATION AND REVIEW	43

3.8	PERFORMANCE EVALUATION	43
3.9	STANDARDS OF MEASUREMENT	43
3.10	ADMINISTRATION	43
3.11	ANNUAL REPORTING REQUIREMENTS	44
	SECTION 4 - COMMISSION RECAPTURE	45
4.1	COMMISSION RECAPTURE	45
4.2	COMMISSION RECAPTURE GUIDELINES	45
	SECTION 5 - PROXY VOTING	46
5.1	PROXY VOTING	46
5.2	ROUTINE PROXY MATTERS	46
5.3	BUSINESS PROXY MATTERS	46
5.4	PROXY REPORT REQUIREMENTS	47
	SECTION 6 - AUDIT POLICY	48
6.1	AUDIT STANDARDS	48
	CHAPTER IV	
	BENEFITS AND PLAN PROVISIONS FOR THE EMPLOYEES’	
	RETIREMENT SYSTEM OF TULSA COUNTY	49
	SECTION 1 - ESTABLISHMENT OF BENEFITS	50
1.1	AUTHORIZATION OF RETIREMENT SYSTEM	50
1.2	RETIREMENT SYSTEM PROVISIONS	50
1.3	PLAN AMENDMENTS	50
	SECTION 2 - TAX STATUS	52
2.1	DETERMINATION LETTERS	52
2.2	QUALIFIED PLAN	52
2.3	PRE-TAX HEALTH CARE PAYMENTS	52
	SECTION 3 - ELIGIBILITY FOR MEMBERSHIP	53
3.1	MEMBERSHIP MANDATORY	53
3.2	ELIGIBILITY FOR MEMBERSHIP	53
3.3	SPECIAL MEMBERSHIP	53

SECTION 4 - RETIREMENT CONTRIBUTIONS	54
4.1 CONTRIBUTION LIMITATION	54
4.2 EMPLOYER & EMPLOYEE CONTRIBUTION	54
4.3 CONTRIBUTION CALCULATION	54
4.4 EMPLOYEE CONTRIBUTIONS	
4.5 LEAVE WITHOUT PAY	54
SECTION 5 - WITHDRAWAL & REDEPOSIT OF CONTRIBUTIONS	55
5.1 REFUNDS OF CONTRIBUTIONS	55
5.2 REDEPOSIT OF CONTRIBUTIONS	55
5.3 WITHDRAWAL OF VESTED BENEFITS	55
5.4 EXPIRATION OF PREVIOUS RIGHT TO REPAY WITHDRAWN CONTRIBUTION	55
SECTION 6 - RETURN TO EMPLOYMENT	56
6.1 RETURN OF A NON-VESTED EMPLOYEE	56
6.2 RETURN OF VESTED EMPLOYEE	56
6.3 RETURN OF RETIRED MEMBERS	56
SECTION 7 - ADMINSTRATIVE OPERATIONS OF THE RETIREMENT SYSTEM	57
7.1 RECORDKEEPING	57
7.2 AUTHORIZED MEMBER SIGNATURE	57
7.3 ORIGINAL REQUIRED	58
7.4 OVERPAYMENT RECOVERY	58
7.5 CONFIDENTIAL INFORMATION	58
SECTION 8 - CREDITED SERVICE	59
8.1 CALCULATING CREDITED SERVICE	59
8.2 ELECTED OFFICIAL SERVICE CREDIT	59
8.3 APPROVED PAID LEAVE	59
8.4 FMLA LEAVE	59
8.5 WORKERS' COMPENSATION LEAVE	60
8.6 OTHER LEAVE WITHOUT PAY EXCLUDED	60
8.7 MILITARY SERVICE CREDIT	60

SECTION 9 - ELIGIBILITY FOR RETIREMENT	62
9.1 ELIGIBILITY FOR BENEFITS	62
9.2 EMPLOYMENT CEASED	62
9.3 FIVE YEAR VESTING	62
9.4 RULE OF 80	62
9.5 RULE OF 90 - FOR EMPLOYEES HIRED AFTER JUNE 30, 2017	63
SECTION 10 - RETIREMENT BENEFITS	64
10.1 REGULAR RETIREMENT BENEFITS	64
10.2 CALCULATING "THREE HIGHEST YEARS" OF PAY	65
10.3 EARLY RETIREMENT	65
10.4 SURVIVING SPOUSE RETIREMENT BENEFITS	68
10.5 RETIREE DEATH BENEFITS	69
10.6 HEALTH INSURANCE BENEFITS	69
SECTION 11 - DISABILITY RETIREMENT BENEFITS	70
11.1 QUALIFICATIONS FOR DISABILITY BENEFITS	70
11.2 DISABILITY RETIREMENT BENEFIT CALCULATION	70
11.3 ESTABLISHING A WORK-RELATED, PERMANENT DISABILITY	71
11.4 RECEIPT AND CONTINUATION OF DISABILITY BENEFITS	71
11.5 ANNUAL REVIEW OF DISABILITY	72
SECTION 12 - RETIREMENT PROCEDURE	73
12.1 APPLYING FOR RETIREMENT	73
12.2 IRREVOCABLE ELECTION TO RETIRE	73
12.3 WAIVER OF RETIREMENT BENEFITS	73
12.4 PAYMENT OF RETIREMENT BENEFITS	73
12.5 MANNER OF PAYMENT	74
SECTION 13 - RETURN TO WORK AFTER RETIREMENT	75
13.1 CEASING WORK UPON RETIREMENT	75
13.2 SUSPENSION OF BENEFITS	75
SECTION 14 - ATTACHMENT OF RETIREMENT BENEFITS	76
14.1 ATTACHMENT OF RETIREMENT BENEFITS	76
14.2 QUALIFIED DOMESTIC RELATIONS ORDERS	76

SECTION 15 - BENEFICIARIES AND DEATH BENEFITS	78
15.1 RETIREE DEATH BENEFITS	78
15.2 BENEFICIARIES OF VESTED OR RETIRED DECEASED EMPLOYEES	78
15.3 BENEFICIARIES OF NON-VESTED, DECEASED EMPLOYEES	78
15.4 DEFINITION OF SPOUSE	79
SECTION 16 - FORFEITURE OF BENEFITS	80
16.1 SUSPENSION FORFEITURE OF POSITION	80
16.2 FORFEITURE UPON CONVICTION OF FELONY	80
16.3 NOTIFICATION OF FORFEITURE	80
SECTION 17 – COMPLIANCE WITH FEDERAL LAW	82
17.1 DEFINITIONS	82
17.2 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(2) FOR EXCLUSIVE BENEFIT AND NONDIVERSION OF TRUST FUNDS	82
17.3 COMPLIANCE WITH INTERNAL REVENUE CODE SECTIONS 401(a)(7) AND 401(a)(8) FOR VESTING AND FORFEITURES	82
17.4 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(9) FOR REQUIRED MINIMUM DISTRIBUTIONS	82
17.5 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(17) FOR LIMITATION ON COMPENSATION	83
17.6 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(25) FOR ACTUARIAL ASSUMPTIONS	84
17.7 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(31) FOR ELIGIBLE ROLLOVER DISTRIBUTIONS	84
17.8 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(31)(B)	85
17.9 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(37) AND THE HEART ACT	86
17.10 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 414(p) FOR QUALIFIED DOMESTIC RELATIONS ORDERS	86
17.11 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 415 FOR LIMITATION ON BENEFITS AND CONTRIBUTIONS	86
17.12 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 503(b) FOR PROHIBITED TRANSACTIONS	91
17.13 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 72(t)(10)(B) FOR QUALIFIED PUBLIC SAFETY OFFICERS	91

APPENDIXES

APPENDIX ONE - ELECTION PROCEDURE	93
APPENDIX TWO - INVESTMENT POLICIES, GUIDELINES AND OBJECTIVES	98
APPENDIX THREE – FUNDING POLICY	113
APPENDIX FOUR - STATUTORY PROVISIONS	115
APPENDIX FIVE - DISTRICT ATTORNEY OPINIONS	116
APPENDIX SIX - ATTORNEY GENERAL OPINIONS	117

RESOLUTION

A RESOLUTION ADOPTING THE POLICY AND PROCEDURE MANUAL FOR THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY, OKLAHOMA

WHEREAS, the Tulsa County Board of County Commissioners is authorized and directed pursuant to the authority of 19 O.S. § 952 to provide for the control and management of a county retirement fund by resolution which, in addition to other provisions, provide for the control and management of such system by resolution which in addition to other provisions shall provide for: (1) the qualifications of the persons eligible for retirement benefits; (2) the minimum age for retirement of employees; (3) the limitations of amounts to be paid to persons eligible for retirement benefits; (4) a board of trustees to administer the fund to be selected as provided for in Section 2 of this act; (5) the amount of contributions to be made by the county and the amount to be made by the employees; and (6) such rules and regulations as the board of trustees shall determine necessary for the proper regulation of the retirement fund and system.

WHEREAS, the Board of Trustees has diligently worked to fulfill its fiduciary responsibilities to establish and administer a retirement fund and system for the employees of Tulsa County, as delayed compensation in order to encourage continuity of dedicated service on the part of employees and thereby promote public efficiency, and to provide retirement allowances and other benefits for such employees, their surviving spouses and surviving children; and in doing so has approved of the attached Policy and Procedure Manual which sets forth the plan terms and conditions, policies and procedural provisions which govern the Employees' Retirement System of Tulsa County, Oklahoma.

WHEREAS, the Board of Trustees of the Employees' Retirement System of Tulsa County, Oklahoma recommends to the Tulsa County Board of County Commissioners that it make effective by resolution all provisions of the attached Policy and Procedure Manual as the plan provisions governing the Employees' Retirement System of Tulsa County, Oklahoma pursuant to 19 O.S. § 958.

WHEREAS, the Board of Trustees of the Employees' Retirement System of Tulsa County, Oklahoma has determined that the action requested is reasonable and lawful.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Employees' Retirement System of Tulsa County, Oklahoma that the attached Policy and Procedure Manual be adopted by resolution as the plan provisions governing the Employees' Retirement System of Tulsa County, Oklahoma.

APPROVED AND ADOPTED by the Board of Trustees of the Employees' Retirement System of Tulsa County, Oklahoma this 23rd day of June, 2015.

BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY, OKLAHOMA

s/ _____
Richard Bales, Vice-Chairman

APPROVED AND ADOPTED by the Board of County Commissioners of Tulsa County, Oklahoma this 29th day of June, 2015.

BOARD OF COUNTY COMMISSIONERS OF TULSA COUNTY, OKLAHOMA

s/ _____
Karen Keith, Chairman Pro Tem

ATTEST:

s/ _____
Pat Key, Tulsa County Clerk

PREFACE

The Board of County Commissioners of Tulsa County, by Resolution and pursuant to law, established the Retirement System for Tulsa County Employees. The initial Resolution was adopted on June 7, 1965, followed by an organizational meeting on July 14, 1965.

From time to time, as required by changes in the statutes or changes in the policies of the Board of County Commissioners or the Retirement Board, resolutions have been adopted by either, or both.

In 2010, the Retirement Board commenced a project to update and compile these policies and resolutions into an efficient, comprehensive Policy and Procedure Manual. The Manual consists of four (4) Chapters; The Board of Trustees of the Employees' Retirement System of Tulsa County, Administration of the Employees' Retirement System of Tulsa County, Financial and Investment Provisions for the Employees' Retirement System of Tulsa County, and Benefits and Plan Provisions for the Employees' Retirement System of Tulsa County. Each Chapter is divided into Sections. There are also five Appendixes for use in connection with this Manual.

This Policy and Procedure Manual may be updated and amended as necessary. All such amendments will be made by Resolution, recommended by the Retirement Board and adopted by the Board of County Commissioners, and noted in the Source notes for each section.

The policies and procedures contained in this Manual, along with the relevant statutes of the State of Oklahoma constitute the plan provisions for the Employees' Retirement System of Tulsa County.

[Source: 19 O.S. §951 et seq.; Adopted by Resolution 6-20-2011; supersedes: #23, 1, 2]

CHAPTER I.

THE BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY

SECTION 1 - BOARD MEMBERSHIP

1.1 BOARD COMPOSITION

The Board of Trustees (hereinafter “Board”) of the Employees’ Retirement System of Tulsa County (hereinafter “ERS” or “Retirement System”) shall be composed of nine (9) members. One member shall be the County Treasurer; one member shall be the County Clerk; one member shall be the Chair of the Board of County Commissioners; three members shall be elected by the employees of Tulsa County, one retired member of the system shall be elected by the employees, retirees, and the beneficiaries (surviving spouses) of the system; and two members shall be appointed by the Chair of the Board of County Commissioners subject to the approval of a majority of the Board of County Commissioners.

[Source: 19 O.S. §952.1; Adopted by Resolution 6-20-2011; supersedes: #01, 1; #17, 1]

1.2 TERMS OF OFFICE

A. Terms of office for the County Treasurer, the County Clerk, and the Chair of the Board of County Commissioners shall be coterminous with each respective position.

B. The initial terms of office of the members of the Board elected by the employees of Tulsa County were as prescribed by statute. Thereafter, the terms of office of the members of the Board elected by the employees of Tulsa County shall be three (3) years, and as provided further in 1.4 below.

C. The initial terms of office of the members of the Board appointed by the Chair of the Board of County Commissioners were as prescribed by statute. Thereafter, the terms of office of the members of the Board appointed by the Chair of the Board of County Commissioners subject to the approval of a majority of the board of county commissioners shall be four (4) years.

D. Except for the retired member of ERS, an elected member shall cease to be a member of the Board when such member is no longer employed by the county. Upon such termination of employment, an election shall be held within ninety (90) days of such termination of board membership in order to replace such employee as a member of the Board.

E. Vacancies shall be filled for any unexpired term of office in the same manner as the original appointment was made.

[Source: 19 O.S. §952.1; Adopted by Resolution 6-20-2011; supersedes: #01, 3; #17, 2; Amended 10-31-17]

1.3 QUALIFICATIONS FOR MEMBERSHIP

A. Those members appointed by the Chair of the Board of County Commissioners shall:

- (1) Have demonstrated professional experience in investment or funds management, public funds management, public or private pension fund management or retirement system management; or
- (2) Have demonstrated experience in the banking profession and have demonstrated professional experience in investment or fund management; or
- (3) Be licensed to practice law in this state and have demonstrated professional experience in commercial matters; or
- (4) Be licensed by the Oklahoma State Board of Public Accountancy to practice in this state as a public accountant or a certified public accountant.

B. The appointing authorities, in making appointments that conform to the requirements of this subsection, shall give due consideration to balancing the appointments among the criteria specified herein.

C. Notwithstanding any of the provisions of this section to the contrary, any person serving as an appointed member of the board of trustees on the effective date of this act* shall be eligible for reappointment when the term of office of the member expires.
(*July 1, 1989)

[Source: 19 O.S. §952.1; Adopted by Resolution 6-20-2011; supersedes: #17, 3]

1.4 ELECTION PROCEDURE FOR MEMBERS OF BOARD

A. The terms of office for the members of the Board elected by the employees of Tulsa County expires on June 30, three years after the election of each individual member. The term for newly elected members shall begin on July 1 of each year.

B. The Board shall set the filing deadlines and election dates for vacancies on the Board, at the recommendation of the Tulsa County Election Board. At the request of the Board, the Election Board will follow the procedures* for election of those members of the Board elected by the employees of Tulsa County as set by the Board.

C. On the last payday before an election, each employee will be given, along with his paycheck, notice of the election of Board members and general information, including a brief biographical sketch of each candidate, information on the availability of absentee ballots and information on voting at polling locations

D. The ballots will be counted by the Election Board. The Secretary of the Election Board will canvass the returns on election night and the Retirement Board Chairman will certify the results at 5:00 p.m. on the third working day following the election. If the Chairman of the Board of Trustees is running for re-election, certification will be deferred to the Vice-Chairman.

E. Should a recount be called for or a tie occur, the Board of Trustees shall follow the state election laws in all matters governing election of Board members with the exception that the deposit for recount shall be changed to \$200.00.

F. In the event of a vacancy on the Board, applications from members wishing to fill that vacancy shall be filed in the office of the County Clerk pursuant to the policies and procedures of the Tulsa County Retirement Board Election Procedures*. The newly elected person shall complete the term of the person whose vacancy he or she filled.

(*Attached hereto as Appendix One.)

[Source: 19 O.S. §952.1; Adopted by Resolution 6-20-2011; supersedes: #01, 2, 4; #17, 2]

1.5 FAILURE TO ATTEND BOARD MEETINGS

A. In order to fulfill the various duties of the Board contained in Section 2 of this Chapter, each Board member is expected to regularly attend each meeting of the Board and each meeting of any Committees to which the Board member is appointed. If any Board member is unable to attend any such meeting, it is the Board members' responsibility to notify the Clerk of the Board in advance of the absence.

B. As provided in 3.2 of Section 3 of this Chapter, excessive absences, without good cause, are considered a violation of the Code of Conduct for Board members.

C. The County Treasurer, the County Clerk, and the Chair of the Board of County Commissioners are ex officio members of the Board and are not subject to removal.

D. If any member appointed by the Chair of the Board of County Commissioners has excessive absences, this violation should be brought to the attention of the Chair of the Board of County Commissioners.

E. If any Board member elected by the members, retirees and beneficiaries has excessive absences, he or she should be given notice of the violation and given an opportunity to show just cause to avoid removal. The matter should be placed on the Board agenda for consideration of removal. If any elected Board member is determined to be in violation of the Code of Conduct for excessive absences, he or she shall be removed from the Board and a new election held for the remaining unexpired term of office.

F. Removal is applicable for any member elected to the Board after the adoption of this provision.

[Source: Adopted by Resolution 10-30-2017]

SECTION 2 - BOARD ORGANIZATION

2.1 BOARD OFFICERS

- A. At the first Board meeting after June 30 of each year, the Board shall annually elect its officers.
- B. The Board shall elect a Vice-Chairman, who will serve as Chairman for the succeeding term, subject to ratification by the Board at the next election. The Vice-Chairman shall serve one term, beginning the first meeting upon his/her election as Vice-Chairman and shall serve the succeeding term as Chairman unless the Vice-Chairman is no longer on the Board to succeed as Chairman.
- C. If the Vice-Chairman is no longer on the Board to succeed as Chairman, the Board shall elect a Chairman of the Board to serve a one-year term, beginning the first meeting upon his/her election and ending at the time of the election of the next year.
- D. The election to the Chairmanship shall be a rotation of terms served among the four (4) employee-elected members of the Board. Only the four employee elected members of the Board are eligible to serve as Chairman or Vice-Chairman, but it is not required that any individual elected member do so.
- E. No member shall be permitted to serve consecutive terms as Chairman, except when a member is filling a vacancy in the Chairmanship.
- F. In the event of the vacancy of the Chairmanship of the Retirement Board, the Vice-Chairman of said Retirement Board of Trustees shall serve as acting Chairman until the term expires or a successor is elected.
- G. The County Treasurer member shall be the Treasurer of the Board.
- H. The County Clerk member shall be the Clerk of the Board.

[Source: Adopted by Resolution 6-20-2011; supersedes: #01, 3; #17, 1]

2.2 DUTIES OF THE CHAIRMAN OF THE BOARD

The Chairman of the Board shall:

- A. preside over all meetings of Retirement Board, following Roberts Rules of Order Revised, 1876 through 1971, which have been adopted by the Retirement Board as its parliamentary procedure guideline;
- B. serve as a representative of the Retirement Board whenever necessary;
- C. appoint not more than five (5) members of the Retirement Board to serve on the Investment Committee;
- D. establish such committees and task forces and appoint such persons as needed in addition to the Investment Committee, including Benefit and Legislative Liaison Committees; and
- E. certify the results of elections for membership on the Retirement Board for the Retirement System; provided however, that if the Chairman is running for reelection, the certification will be deferred to the Vice-Chairman.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #11, 1]

2.3 DUTIES OF THE VICE-CHAIRMAN OF THE BOARD

The Vice-Chairman of the Board shall:

- A. serve as presiding officer and/or representative of the Retirement Board whenever the Chairman is unavailable to do so;
- B. serve as acting Chairman in the event of a vacancy of the Chairmanship until the term expires or a successor is elected;

- C. certify the results of election to the Chairman's membership position, if the Chairman is running for reelection for membership on the Retirement Board; and
- D. learn, while serving as Vice-Chairman, the duties and responsibilities of the Chairman in preparation for serving as Chairman during the next year.

[Source: Adopted by Resolution 6-20-2011; supersedes: #11, 2]

2.4 DUTIES OF THE RETIREMENT BOARD

The Retirement Board for the Employees' Retirement System of Tulsa County is charged with the overall responsibility to administer the Retirement System solely in the interest of the members and beneficiaries pursuant to applicable Oklahoma statutes; Attorney General Opinions; District Attorney Opinions; Resolutions of the Retirement Board, the Board of County Commissioners, and the Budget Board; and Retirement Plans and policies established by the Retirement Board. To that end, the Board shall:

- A. enact such policies, procedures, rules and regulations as it shall determine necessary for the proper regulation of the Retirement System;
- B. recommend annually to the Board of County Commissioners the amount of contributions to be made to the Retirement System by the County and by each individual member, not to exceed the statutory limitations imposed by law;
- C. assure that all funds held for the Retirement System are used for the exclusive benefit of the plan participants and beneficiaries and is not available for any other purpose except for payment of the reasonable costs and expenses of administration;
- D. act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and
- E. perform all duties of the Retirement Board with the understanding that each member of the Retirement Board functions in a fiduciary capacity to all the members of the Retirement System and that each Retirement Board member shall at all times, acting as a fiduciary with respect to the Retirement System, observe and follow the laws and policies and procedures governing the System.

[Source: 19 O. S. §§952, 952.2, 953, 953.1A, 953.2, 954; Adopted by Resolution 6-20-2011; supersedes: #11, 3]

2.5 INVESTMENT DUTIES OF THE RETIREMENT BOARD

The Retirement Board for the Employees' Retirement System of Tulsa County is charged with the overall responsibility to prudently invest the monies of the Retirement System. To that end, and as further set forth in Chapter III, the Board shall:

- A. diversify the investments of the Retirement System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so;
- B. retain qualified investment managers to provide for the investment of the monies of the Retirement System;
- C. place the funds and revenues for investment by the investment managers or the Retirement Board with a custodian selected by the Retirement Board; and
- D. develop and/or review a written investment plan for the Retirement System each year prior to August 1.

[Source: 19 O. S. §§ 953.1A; Adopted by Resolution 6-20-2011; supersedes: #11, 3]

2.6 FINANCIAL REPORTING AND ACTUARIAL DUTIES OF THE RETIREMENT BOARD

The Retirement Board for the Employees' Retirement System of Tulsa County is charged with the overall responsibility to provide reporting of the assets of the Retirement System. To that end, and as further set forth in Chapter II, the Board shall:

- A. compile a quarterly financial report of all the funds of the Retirement System on a fiscal year basis, to be distributed to the Board of County Commissioners;
- B. publish widely an annual report of the financial condition and performance of the Retirement System for the fiscal year, presented in simple and easily understood language to be submitted to the Board of County Commissioners and made available to the members of the Retirement System;
- C. retain the services of a professional actuary to prepare annual actuarial reports and interim actuarial reports as may be required and to assist in the Board's evaluation and determination regarding benefits that may be provided in the future and the impact upon the Retirement System; and
- D. approve or disapprove each expense of the Retirement System prior to its payment, including warrants issued by the Retirement System and/or the County Treasurer; provided however, said approval is not required for the normal service fee charged by a bank for maintenance of the Retirement System bank account.

[Source: 19 O. S. §§ 953.1A, 956; Adopted by Resolution 6-20-2011; supersedes: #11, 3]

2.7 DUTIES OF THE RETIREMENT BOARD REGARDING PLAN PROVISIONS

The Retirement Board for the Employees' Retirement System of Tulsa County is charged with the overall responsibility to establish, approve and administer the benefits for the eligible employees of Tulsa County and the Retirement System. To that end, and as further set forth in Chapter IV, the Board shall:

- A. determine the qualifications of the persons eligible for retirement benefits;
- B. establish the minimum age for retirement of employees;
- C. establish the limitations of amounts to be paid to persons eligible for retirement benefits;
- D. make appropriate and impartial decisions, in accordance with the plan provisions, concerning the determination of any and all benefits or service under the Retirement System, including but not limited to eligibility for retirement, disability benefits, surviving spouse benefits, military and other service credit;
- E. return any contribution, without interest, made to the Retirement System by an individual employee who ceases, either by resignation, discharge or failure of re-election, to be a County employee at any time before such employee becomes eligible for retirement upon such employee making written application for refund to the Board; and
- F. adopt such provisions as are necessary to implement and administer the Retirement System so that no monies of an employee or retiree are subject to attachment, garnishment, levy, or seizure in any manner under any legal or equitable process, except as provided in Chapter IV. regarding qualified domestic orders, for child support garnishments and in cases of IRS seizures.

[Source: 19 O. S. §§952, 953, 953.1A, 956, 957, 957-1, 958, 959, 960, 961; Adopted by Resolution 6-20-2011; supersedes: #11, 3]

2.8 INDEMNIFICATION

Under the guidance of District Attorney's Opinion 90-6, individual members of the Retirement Board, who are acting within the scope of their employment and in good faith, are immune from liability for their torts as provided for in the Oklahoma Governmental Tort Act. Notwithstanding this position, the Retirement Board for the Employees' Retirement System of Tulsa County may procure insurance indemnifying the members of the Retirement Board from personal loss or accountability from liability resulting from a member's action or inaction as a member of the Retirement Board if the Board finds that such insurance is necessary and proper.

[Source: 19 O. S. §§ 953.1A, 51 O. S. § 152; Adopted by Resolution 6-20-2011; supersedes: #11, 3; #17, 4]

2.9 MEETINGS OF THE BOARD

Meetings of the Retirement Board shall be public, held in compliance with the Open Meeting Act. The members of the Retirement Board must submit agenda items to the Clerk of the Retirement Board in adequate time for them to be placed on the agenda and posted in a timely fashion. Regular meetings and Special meetings require different posting times, so it is essential that the members of the Retirement Board notify the Clerk as soon as possible about agenda items they want included.

[Source: 19 O.S §952.1; 25 O. S. § 301 et seq.; Adopted by Resolution 6-20-2011; supersedes: #26, 1]

SECTION 3 - BOARD GOVERNANCE

3.1 GOVERNING STYLE

The Retirement Board for the Employees' Retirement System of Tulsa County has been entrusted with the funds and expectations of its members and has the duty to govern in the best interests of the System and its beneficiaries. The Board will act as a single Board of Trustees and not as individual members in carrying out its duties. In this spirit, the Board of Trustees will:

- A. establish policies based upon the most fundamental values and perspectives of the organization;
- B. do all that is necessary to ensure that the members of the Board remain mindful of their obligations to the Board in order to allow it to govern in accordance with the policies it has established;
- C. remain accountable to the membership, the Board of County Commissioners and the public for the accomplishment of its obligations under its public trust, and further that no officer, committee or individual member of the Board shall hinder the Board's fulfillment of this commitment or appropriate this role to himself and not to the Board of Trustees;
- D. acquire the training and development necessary and appropriate for the completion of its duties;
- E. remain aware of the changing needs of the ERS and its members and develop policies to meet those changing needs; and
- F. regularly evaluate its own performance as well as the performance of the administrative staff in order to make timely and necessary improvements, and to that end, the Board evaluation will include an assessment of its compliance with the Board policies, as well as an assessment of the effectiveness of the policies.

[Source: Adopted by Resolution 6-20-2011]

3.2 CODE OF CONDUCT

The Retirement Board for the Employees' Retirement System of Tulsa County adopts the following Code of Conduct in order to carry out its mission in accordance with the strictest ethical guidelines; and further, to ensure that Board members conduct themselves in a manner that fosters public confidence in the integrity of the Retirement System. The provisions of this Code of Conduct shall operate as general principles for the actions and activities of the members of the Board.

A. Board members should not attempt to exercise individual authority over the Retirement System or the staff members, except as authorized and established through formal Board action. Board members recognize that the authority of the Board rests with the Board, as a whole, and that only the Board may authorize the delegation of its authority. In furtherance thereof, the Board members shall inform each other and the staff of any matters involving the Retirement System.

B. In interactions with members of the public, the press, and other entities, Board members may represent as the policy or the position of the Board, only those policies and positions of the Board, which have been adopted or approved by formal Board action. Board members may not commit the Board or the Retirement System to positions, unless authorized to do so by the Board action taken in an official meeting. The Retirement Board recognizes the need for its members to communicate with their constituencies and represent their positions. When expressing an individual opinion or position that dissents from or is at variance with the formal Board opinion or position, a Board member must be

careful to represent it in such a way that it is not construed as the position or policy of the Board or the Retirement System.

C. The members of the Retirement Board shall not accept gifts or gratuities from an individual organization with a value in excess of Fifty Dollars (\$50.00) per year. The provisions of this section shall not be construed to prevent the members of the Board from attending educational seminars, conferences, meetings or similar functions.

D. In order to fulfill the duties of the Board and to maintain the appropriate ethical conduct, all members of the Board should be prepared and in attendance for each Board and Committee meeting. If any Board member is unable to attend any such meeting, he or she shall notify the Clerk of the Board. Excessive absences are a violation of this Code of Conduct. Excessive absences are considered to be 3 consecutive absences or 4 or more absences in any 12- month period.

[Source: Adopted by Resolution 6-20-2011; Amended 10-31-17]

3.3 GENERAL STANDARDS OF ETHICAL CONDUCT

The Retirement Board for the Employees' Retirement System of Tulsa County must conduct themselves, at all times, in a manner that avoids favoritism, bias, and the appearance of impropriety. To that end, Board members should not:

A. solicit or accept anything of value from anyone doing business with the Board or Retirement System;

B. use his or her public position to obtain benefits for the Board member, a family member, or anyone with whom the Board member has a business or employment relationship;

C. be paid or accept any form of compensation for personal services rendered on a matter before, or sell goods or services to, the Board or Retirement System;

D. hold or benefit from a contract with, authorized by, or approved by, the Board or Retirement System;

E. vote, authorize, recommend, or in any other way use his or her position to secure approval of a Board or Retirement System contract (including employment or personal services) in which the Board member, a family member, or anyone with whom the Board member has a business or employment relationship, has an interest;

F. use or disclose confidential information protected by law, unless appropriately authorized;

G. use, or authorize the use of, his or her title, the name of the Retirement Board or Retirement System in a manner that suggests impropriety, favoritism, or bias by the Board or Retirement System, or the Board member; and

H. solicit or accept any compensation, except as otherwise allowed by law, to perform his or her official duties or any act or service in his or her official capacity.

[Source: Adopted by Resolution 6-20-2011]

3.4 ANYTHING OF VALUE DEFINED

For purposes of this Policy and Procedure Manual, "anything of value" includes anything of monetary value, including, but not limited to, money, loans, gifts, food or beverages, social event tickets and expenses, travel expenses, golf outings, consulting fees, compensation, or employment, which are not otherwise provided or available to the general public. "Value" means worth in excess of Fifty Dollars (\$50.00) per year.

[Source: Adopted by Resolution 6-20-2011]

3.5 DOING BUSINESS DEFINED

For purposes of this Policy and Procedure Manual, "anyone doing business with the Board or System" includes, but is not limited to, any person, corporation, or other party that is doing or seeking to do business with, regulated by, or has interests before the Board or Retirement System, including anyone who is known or should be known to be an agent or acting on behalf of such a party, including any partnership of which the system is a partner, any person or entity that has a contract related to investment of the System's funds, and any person marketing or otherwise attempting to secure business involving the System's funds.

[Source: Adopted by Resolution 6-20-2011]

SECTION 4 - BOARD COMMITTEES

4.1 INVESTMENT COMMITTEE

The Retirement Board for the Employees' Retirement System of Tulsa County shall establish an Investment Committee, composed of not more than five (5) members of the Retirement Board. The members shall be appointed by the Chairman of the Retirement Board. The investment committee shall make recommendations to the full Retirement Board on all matters related to the choice of custodians and managers of the assets of the Retirement System, on the establishment of investment and fund management guidelines, and in planning future investment policy. Any action or recommendation of the Investment Committee shall be by a vote of a majority of its members in attendance at a meeting. The committee shall have no authority to act on behalf of the Retirement Board in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the Retirement Board as provided by law.

[Source: 19 O. S. §§ 953.1A; Adopted by Resolution 6-20-2011; supersedes: #11, 3]

4.2 LEGISLATIVE LIAISON COMMITTEE

The Retirement Board for the Employees' Retirement System of Tulsa County shall establish, as a standing committee of the Board, a Legislative Liaison Committee. The Legislative Liaison Committee shall be composed of at least three members of the Retirement System, appointed by the Chairman of the Retirement Board. One of the members of the Legislative Liaison Committee should be a lawyer, if such a person is available. Any action or recommendation of the Legislative Liaison Committee shall be by a vote of a majority of its members in attendance at a meeting. This committee shall have the charge to keep the Retirement Board informed of pending and enacted legislation which might affect the policies and procedures of the Retirement System. To that end, the Committee shall:

- A. meet and exercise its duty on a schedule that is suitable for the needs of the Retirement System;
- B. take direction from the Retirement Board and work directly with the legislature, if possible, to affect legislation which the Retirement Board wishes to support and/or oppose.
- C. keep the Retirement Board apprised of legislative developments as they occur, and make an especial attempt to notify the Retirement Board of pending legislation in time to put the position of the Retirement Board before the legislators, if at all possible.

[Source: 19 O. S. § 952; Adopted by Resolution 6-20-2011; supersedes: #11, 3; #05]

4.3 OTHER NECESSARY COMMITTEES

The Retirement Board for the Employees' Retirement System of Tulsa County may establish such other committees with such duties as the Board deems necessary from time to time. Each committee shall serve at the pleasure of the Retirement Board and shall be subject to the control and direction of the Board. The Chairman shall appoint the members of the committee as necessary. Any committee of the Board may act by a vote of a majority of its members present at a meeting. Any committee shall have no authority to act on behalf of the Retirement Board under any circumstances whatsoever. No recommendation of any committee shall have effect as an action of the Retirement Board.

[Source: Adopted by Resolution 6-20-2011]

SECTION 5 - BOARD TRAINING AND EDUCATION

5.1 BOARD EDUCATION

The Retirement Board for the Employees' Retirement System of Tulsa County recognizes that initial and ongoing education is essential to enable the members of the Board to carry out the responsibilities and duties of Board membership. Members of the Board should be afforded educational opportunities through attendance at various seminars or conferences, in order to improve their effectiveness as named fiduciaries. The goal of these forums is to improve the operation and administration of the plan solely for the best interests of its members and beneficiaries. To that end, the Board members will make all efforts to utilize these opportunities to the fullest while minimizing costs. Each Board member shall be responsible to acquire the level of knowledge necessary to enable him or her to perform the duties of the office in an informed and competent manner and to meet his or her fiduciary obligations. The Board may participate in the education programs offered jointly with the other Oklahoma retirement systems. Each Board member is encouraged to participate in the continuing education programs at least once per year.

[Source: Adopted by Resolution 6-20-2011]

5.2 NEW MEMBER ORIENTATION EDUCATION

Any new member of the Retirement Board will undergo an initial orientation within 90 days of election or appointment. This educational program should include a thorough review and briefing of the policy-making role of the Board, its role in the oversight and governance of the Retirement System, general fiduciary obligations and the policies and procedures adopted by the Board, among other things.

[Source: Adopted by Resolution 6-20-2011]

5.3 EDUCATION APPROVAL AND EXPENSES

- A. All educational opportunities where expenses will be incurred on behalf of the Retirement System by Board members must be approved by the Retirement Board in advance. The Retirement Board will consider each request on its own merits, with no specific limitations on frequency.
- B. Reimbursement of reasonable and necessary travel expenses will be governed by the Travel and Mileage Reimbursement Procedures (TCP 010) approved by the Board of County Commissioners. Higher reimbursement rates may be approved for lodging and meal functions arranged by the conference or seminar attended by Board members. Expenses not otherwise approved in excess of the Travel and Mileage Reimbursement Procedures are the responsibility of the Board member.

[Source: Adopted by Resolution 6-20-2011; supersedes: #11, 3; #08]

5.4 REPORTING REQUIREMENTS

- A. Following any educational opportunity, an attending Board member should offer a brief report to the full Board at the next meeting. The report may be oral, and should cover the nature of the educational event, the relevance or value to the Retirement System and any comments or insights gained as part of the event.

B. As set forth in Section 3, Retirement Board members should not solicit or accept anything of value from anyone doing business with the Board or Retirement System, including trips of any kind with a value in excess of Fifty Dollars (\$50.00) per year. The provisions of this section shall not be construed to prevent the members of the Board from attending educational seminars, conferences, meetings or similar functions which are paid for, directly or indirectly, by more than one organization. Further, the provisions of this section shall not be construed to prevent the members of the Board from attending educational seminars, conferences, meetings or similar functions which have been approved in advance by the Retirement Board.

[Source: Adopted by Resolution 6-20-2011; supersedes: #11, 3; #08]

5.5 EXPENSE LIMITATIONS

A. Expenses submitted for reimbursement should be proper, reasonable and necessary expenses. This means that the particular service or accommodation was in fact used by, or provided to, the Board member, and was appropriate under the circumstances and within the bounds of prudent judgment for their attendance in official duties at Board and committee meetings, financial/ investment due diligence trips, approved educational meetings, and any other additional duties pre-approved by the Retirement Board.

B. Expenses for out of state travel are limited to those incurred not more than one day before, during the event, and one day after unless a longer stay before or after the event results in lower airfare and the additional hotel and meal expenses do not exceed the savings differential.

[Source: Adopted by Resolution 6-20-2011; supersedes: #11, 3; #08]

CHAPTER II.

ADMINISTRATION OF THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY

SECTION 1 - EMPLOYEES ASSOCIATED WITH THE RETIREMENT SYSTEM

1.1 COUNTY CLERK'S OFFICE

The Tulsa County Clerk's Office handles the day-to-day administrative responsibilities of the Retirement System. Further information on the Tulsa County Clerk's Office is found in this Chapter at Section 3.6.

[Source: Adopted by Resolution 6-20-2011; supersedes: #26, 2]

1.2 EMPLOYEE CODE OF CONDUCT

The Retirement Board for the Employees' Retirement System of Tulsa County adopts the following Code of Conduct in the employees associated with the Retirement System in order to carry out its mission in accordance with the strictest ethical guidelines; and further, to ensure that employees conduct themselves in a manner that fosters public confidence in the integrity of the Retirement System. The provisions of this Code of Conduct shall operate as general principles for the actions and activities of the employees associated with the Retirement System.

A. In interactions with members of the public, the press, and other entities, employees may represent as the policy or the position of the Board, only those policies and positions of the Board, which have been adopted or approved by formal Board action. Employees may not commit the Board or the Retirement System to positions, unless authorized to do so by the Board action taken in an official meeting. The Retirement Board recognizes the need for its employees to communicate with the members of the System. When expressing an individual opinion or position that dissents from or is at variance with the formal Board opinion or position, the employee must be careful to represent it in such a way that it is not construed as the position or policy of the Board or the Retirement System.

B. Employees shall not accept gifts or gratuities from an individual organization with a value in excess of Fifty Dollars (\$50.00) per year. The provisions of this section shall not be construed to prevent employees from attending educational seminars, conferences, meetings or similar functions.

[Source: Adopted by Resolution 6-20-2011]

1.3 GENERAL STANDARDS OF EMPLOYEE ETHICAL CONDUCT

Employees associated with the Retirement Board for the Employees' Retirement System of Tulsa County must conduct themselves, at all times, in a manner that avoids favoritism, bias, and the appearance of impropriety. To that end, employees should not:

A. solicit or accept anything of value from anyone doing business with the Board or Retirement System;

B. use his or her public position to obtain benefits for the employee, a family member, or anyone with whom the employee has a business or employment relationship;

C. be paid or accept any form of compensation for personal services, except for approved salary and wages, rendered on a matter before, or sell goods or services to, the Board or Retirement System;

D. hold or benefit from a contract with, authorized by, or approved by, the Board or Retirement System;

E. recommend or in any other way use his or her position to secure approval of a Board or Retirement System contract in which the employee, a family member, or anyone with whom the employee has a business or employment relationship, has an interest;

F. use or disclose confidential information protected by law, unless appropriately authorized;

G. use, or authorize the use of, his or her title, the name of the Retirement Board or Retirement System in a manner that suggests impropriety, favoritism, or bias by the Board or Retirement System, or the employee; and

H. solicit or accept any compensation, except as otherwise allowed by law, to perform his or her official duties or any act or service in his or her official capacity.

[Source: Adopted by Resolution 6-20-2011]

1.4 DEFINITIONS

As used in this Section, the terms "anything of value" and "anyone doing business with the Board or System" shall be defined as set forth in Chapter I., Section 3.4 and 3.5.

[Source: Adopted by Resolution 6-20-2011]

SECTION 2 - EMPLOYEE TRAINING AND EDUCATION

2.1 EMPLOYEE EDUCATION

The Retirement Board for the Employees' Retirement System of Tulsa County recognizes that initial and ongoing education is essential to enable the employees associated with the Retirement System to carry out the responsibilities and duties of their position. Employees should be afforded educational opportunities through attendance at various seminars or conferences, in order to improve their effectiveness. The goal of these forums is to improve the operation and administration of the plan solely for the best interests of its members and beneficiaries. To that end, employees will make all efforts to utilize these opportunities to the fullest while minimizing costs. Each employee should acquire the level of knowledge necessary to enable him or her to perform the duties of the position in an informed and competent manner. Employees are encouraged to participate in the education programs offered jointly with the other Oklahoma retirement systems.

[Source: Adopted by Resolution 6-20-2011]

2.2 NEW MEMBER ORIENTATION EDUCATION

The employees associated with the Retirement System are responsible to provide new members of the Retirement Board with an initial orientation within 90 days of election or appointment. This educational program should include a thorough review and briefing of the policy-making role of the Board, its role in the oversight and governance of the Retirement System, general fiduciary obligations and the policies and procedures adopted by the Board, among other things.

[Source: Adopted by Resolution 6-20-2011]

2.3 EDUCATION APPROVAL AND EXPENSES

A. All educational opportunities where expenses will be incurred on behalf of the Retirement System by employees must be approved by the Retirement Board in advance. The Retirement Board will consider each request on its own merits, with no specific limitations on frequency.

B. Reimbursement of reasonable and necessary travel expenses will be governed by the Travel and Mileage Reimbursement Procedures (TCP 010) approved by the Board of County Commissioners. Higher reimbursement rates may be approved for lodging and meal functions arranged by the conference or seminar attended by employees. Expenses not otherwise approved in excess of the Travel and Mileage Reimbursement Procedures are the responsibility of the employee.

[Source: Adopted by Resolution 6-20-2011; supersedes: #11, 3; #08]

2.4 REPORTING REQUIREMENTS

A. Following any educational opportunity, the attending employee should offer a brief report to the full Board at the next meeting. The report may be oral, and should cover the nature of the educational event, the relevance or value to the Retirement System and any comments or insights gained as part of the event.

B. As set forth in Section 1, employees should not solicit or accept anything of value from anyone doing business with the Board or Retirement System, including trips of any kind with a value in excess of Fifty Dollars (\$50.00) per year. The provisions of this section shall not be construed to prevent employees from attending educational seminars, conferences, meetings or similar functions which are paid for, directly or indirectly, by more than one organization. Further, the provisions of this section shall not be construed to prevent employees from attending educational seminars, conferences, meetings or similar functions which have been approved in advance by the Retirement Board.

[Source: Adopted by Resolution 6-20-2011; supersedes: #11, 3; #08]

2.5 EXPENSE LIMITATIONS

A. Expenses submitted for reimbursement should be proper, reasonable and necessary expenses. This means that the particular service or accommodation was in fact used by, or provided to, the employee, and was appropriate under the circumstances and within the bounds of prudent judgment for their attendance in official duties at Board and committee meetings, financial/ investment due diligence trips, approved educational meetings, and any other additional duties pre-approved by the Retirement Board.

B. Expenses for out of state travel are limited to those incurred not more than one day before, during the event, and one day after unless a longer stay before or after the event results in lower airfare and the additional hotel and meal expenses do not exceed the savings differential.

[Source: Adopted by Resolution 6-20-2011; supersedes: #11, 3; #08]

SECTION 3 – RELATIONSHIP WITH OTHER COUNTY ENTITIES

3.1 BOARD OF COUNTY COMMISSIONERS OF TULSA COUNTY

A. The Board of County Commissioners of Tulsa County, said being a county in the State of Oklahoma having a population of more than three hundred thousand (300,000), according to the latest Federal Decennial Census, has provided and authorized by resolution a retirement fund and system for the employees of Tulsa County. This program, authorized by law, is provided to eligible employees of Tulsa County as delayed compensation in order to encourage continuity of dedicated service on the part of employees and thereby promote public efficiency, and to provide retirement allowances and other benefits for such employees and their surviving spouses. The retirement fund shall be supported by joint contributions by such county and the employees to be benefited.

B. The Board of County Commissioners of Tulsa County, having established the Employees' Retirement System of Tulsa County, is authorized and empowered to make effective by resolution all provisions necessary to accomplish and administer the Retirement System, and any amendments hereafter provided.

C. The Board of County Commissioners of Tulsa County shall superintend, manage and supervise the fiscal concerns of the county and secure their management in the best manner, including the Retirement System. The Retirement Board shall provide to the Board of County Commissioners the reports set forth in Section 4 of this Chapter.

[Source: 19 O. S. §§ 345, 951, 958; Adopted by Resolution 6-20-2011; supersedes: #18, 1]

3.2 TULSA COUNTY BUDGET BOARD

The Tulsa County Budget Board, through the efforts of elected officials individually and jointly, completes the budget for each activity that requires funds to be appropriated. The county retirement contributions are included in this budget, as provided in 3.5 below. The budget is required to be balanced and the balanced budget is adopted by the Tulsa County Budget Board.

[Source: 19 O. S. §1401 et seq.; Adopted by Resolution 6-20-2011; supersedes: #18, 2]

3.3 TULSA COUNTY EXCISE BOARD

The Tulsa County Excise Board examines the budget, which has been adopted by the County Budget Board, to ensure that all items and amounts are lawful and meet the mandates of law. If the budget meets all such requirements, the Tulsa County Excise Board approves it. The approved budget shall be in effect on and after the first day of the fiscal year to which it applies.

[Source: 19 O. S. §1414; Adopted by Resolution 6-20-2011; supersedes: #18, 3]

3.4 TULSA COUNTY TREASURER'S OFFICE

A. The Tulsa County Treasurer's Office provides a monthly Treasurer's report to the Retirement Board and balances the Retirement System checking account.

B. The Treasurer's Office approves the expenditures for all investment matters related to the Retirement System. The County Clerk's Office approves the administrative expenditures. These expenditures are then approved by the Retirement Board.

[Source: Adopted by Resolution 6-20-2011; supersedes: #26, 9 & 10]

3.5 TULSA COUNTY CONTRIBUTIONS

A. The Employer contributions to be made to the Retirement System are authorized by law to be included in the Tulsa County budget. Each year, the Retirement Board shall recommend to the Board of County Commissioners the amount of the contributions, based upon the actuarial report set forth in Section 1.4 of Chapter III.

B. The Board of County Commissioners shall evaluate the recommendation of the Retirement Board, and recommend the necessary amount to be included in the Tulsa County Budget.

C. The Tulsa County Budget Board shall adopt the necessary contribution and submit it to the Tulsa County Excise Board for final approval.

D. Additional contribution information can be found in Chapter IV.

[Source: 19 O. S. §§ 951, 958, 1401, 1414; Adopted by Resolution 6-20-2011; supersedes: #18]

3.6 TULSA COUNTY CLERK'S OFFICE

A. The Tulsa County Clerk's Office handles the day-to-day items that relate to the Retirement System. This includes keeping records of: participation start date; retirement date; military service credit; workers' compensation service credit; family leave time; extended sick leave time; re-employment and eligibility for retirement benefits; contributions withheld from employees earnings; refunds of member contributions; beneficiary designation records; vesting; applications for retirement and disability retirement; matters relating to Qualified Domestic Orders; writing the retirement benefit warrants and warrants for all administrative and investment expenses applicable to the Retirement System; and handling all other matters which pertain to the benefits accrued and accruing to members.

B. The Tulsa County Clerk's Office handles the calculation and disbursement of benefits and all necessary tax reporting matters for retirees of the Retirement System.

C. The Tulsa County Clerk's Office keeps the minutes of the Retirement Board. These are available at all times for inspection by the members and the public

D. The Tulsa County Clerk's Office prepares the *Comprehensive Annual Financial Report for the Employees' Retirement System of Tulsa County, OK*. A copy of this report is available at the Tulsa County Clerk's Office each year.

[Source: Adopted by Resolution 6-20-2011; supersedes: #26, 2, 3, 5 and 7]

SECTION 4 – EXPENDITURES

4.1 TYPES OF EXPENDITURES

Expenditures from the Retirement System fall under the following categories:

- A. Retirement Benefits
- B. Refund of Employee Contributions
- C. Investment Expense
- D. Administrative Expense

[Source: Adopted by Resolution 6-20-2011; supersedes: #24, 1]

4.2 COUNTY WARRANTS

Expenditures are paid by county warrants issued by the County Clerk ' s Office and registered by the County Treasurer ' s Office. The Retirement Board must approve each expenditure before a warrant is issued.

[Source: Adopted by Resolution 6-20-2011; supersedes: #24, 2]

4.3 APPROVAL OF EXPENDITURES

Before submission to the Retirement Board, invoices for investment expenses should be reviewed and approved by an authorized representative of the County Treasurer ' s Office. Invoices for administrative expenses should be reviewed and approved by an authorized representative of the County Clerk ' s Office.

[Source: Adopted by Resolution 6-20-2011; supersedes: #24, 3]

4.4 BANK SERVICE CHARGES

The approved banking facility for the Retirement System is authorized to charge the Retirement System account directly for normal service charges to the Retirement System Demand Deposit Account (DDA) bank account. Following the review and approval by a deputy County Treasurer, an accounting entry is made to charge the appropriate Retirement System account.

[Source: Adopted by Resolution 6-20-2011; supersedes: #24, 4]

SECTION 5 – COMMUNICATIONS

5.1 POLICY AND PROCEDURE MANUAL

A. The official statutory text governing the operation and plan provisions of the Retirement System is found at Chapter 25 of Title 19 of the Oklahoma Statutes (19 O.S. §§951 et. seq.), as may be amended.

B. The statutes and this Policy and Procedure Manual governing the Retirement System are subject to amendment. All amendments to the statutes and this Policy and Procedure Manual made or enacted after the publication of the Policy and Procedure Manual shall take precedence over any material previously published.

C. The Policy and Procedure Manual is comprised of both general and specific information. Additional information or explanation is available from the administrative staff or the Retirement Board.

D. Copies of the Policy and Procedure Manual and Resolutions applicable to the Retirement System are available at the Tulsa County Clerk's Office.

E. The Retirement Board has the authority to establish policies and procedures as necessary to ensure proper administration of the Retirement System. The Retirement Board normally meets the last Tuesday of each month in Room 119 of the County Administration Building, beginning at 2:00 p.m. All meetings are open to the public and agendas are posted in accordance with the Oklahoma Open Meeting Act.

[Source: Adopted by Resolution 6-20-2011; supersedes: #20, 1]

5.2 NEW EMPLOYEES

Each new employee is provided an orientation meeting by the Human Resources Department. Information is provided to each new employee directing them how to obtain additional information about the Retirement System. The employee is given the necessary forms regarding the Retirement System and to designate his or her beneficiary. These forms are not effective until and unless they are properly filed with the County Clerk's office.

[Source: Adopted by Resolution 6-20-2011; supersedes: #20, 3]

5.3 METHODS OF COMMUNICATION

A. Disability Retirees are sent a notice each year advising them of the annual review of their disability status.

B. Beginning January 2017, the Clerk's office will work in conjunction with the Treasurer's office to do quarterly death audits through the Treasurer's subscription of Lexis Nexis Accurint.

C. Opinion surveys are occasionally sent to members and retirees/beneficiaries as the need arises.

D. Bulletins from the Retirement System and Minutes of the Retirement Board meetings are sent to each department of Tulsa County to be posted on designated bulletin boards.

E. The agendas of each Retirement Board and Committee meeting are posted in the central lobby and entrance of the Administration Building and on the Tulsa County website.

F. The County Clerk communicates with the members and retirees as necessary. A copy of the Retirement System's Annual Report (CAFR) is available to all members.

G. From time to time, the Retirement Board may direct specific communication to members in addition to this information.

H. Information may be posted and made available to members, retirees and the public through the Retirement System and/or Tulsa County websites as determined by the Retirement Board. Such information made available on the websites shall constitute proper notice unless otherwise provided by law.

[Source: Adopted by Resolution 6-20-2011; supersedes: #20, 3]

SECTION 6 - REQUESTS FOR PROPOSALS

6.1 PROFESSIONAL VENDOR SELECTION PROCESS

The System will, from time to time, determine the need to solicit Requests For Proposals (RFP) in order to competitively evaluate the professional services of certain current and prospective providers and vendors. The Retirement Board seeks to conduct all such evaluations in a fair and impartial manner. The following circumstances listed below may precipitate the need to perform such evaluations:

- A. The current provider is not performing the service for which they were hired to the satisfaction of the Board, and the Board is seeking a replacement provider. This includes, but is not limited to, performance issues or changes to the vendor's management structure, including the loss of key professionals who have discretion for the professional services or portfolio.
- B. The Board determines that a professional service not currently being provided or employed is required.
- C. The current provider is at or near the end of its contract term.

[Source: Adopted by Resolution 6-20-2011; supersedes: #]

6.2 REQUESTS FOR PROPOSALS

The Retirement Board, with the approval of the Board of County Commissioners, may recommend the criteria and request the Tulsa County Purchasing Department to issue a RFP to survey the marketplace of vendors to gather information necessary to select an appropriate vendor to provide professional services or to evaluate current and/or prospective providers, including:

- A. The current standards of excellence in the respective disciplines, including performance, stability of organization and personnel, legal/ethical considerations, and client gains/losses.
- B. The relevance of the particular product(s) offered by the respondent to the requested services.
- C. The availability/capacity/interest level of the prospective respondents.
- D. The level and range of fee expectations for the services required.

[Source: Adopted by Resolution 6-20-2011; supersedes: #]

6.3 REQUESTS FOR PROPOSALS SPECIFICATIONS

A. RFP specifications shall be issued by the Purchasing Department on behalf of the Retirement System, as recommended by the Retirement Board. Successful bidders must comply with all criteria deemed "mandatory". Vendors may be expected to provide a reasonable "most favored nation" fee clause, guaranteeing the Retirement Board at least as favorable a fee as vendor charges other similarly situated entities. A formal question and answer process will be provided for each RFP. Informal communication is prohibited.

B. All responses to proposals will be delivered to the location specified in the RFP which will provide a secure method for receipt of the proposals. It is the vendor's responsibility to deliver the completed proposal response to the correct location. The Retirement Board shall have no responsibility or obligation to accept or provide for redelivery of proposals sent to an incorrect address. The proposal will be addressed and delivered as set forth in the RFP document.

C. The deadline for receipt of proposals will be set at the time of issuance of the RFP. This

deadline cannot be extended or changed without the approval of the Board of County Commissioners by formal addendum, and said extension or change must occur prior to the original deadline. Individual proposals received after that deadline will be rejected.

D. Methods of recordkeeping and safeguarding of responses shall be determined at the time of issuance.

E. To ensure consistency, any and all questions concerning the RFP should be referred to the Investment Consultant. A formal question and answer process will be provided for each RFP. Telephone and other types of inquiries concerning the proposal, excluding those provided for in the question and answer period, are prohibited.

F. The proposal must include an original affidavit for filing with Competitive Bid, which has been fully completed, signed and notarized. Failure to include this original document will be cause for rejection of the proposal.

G. Each RFP may include mandatory and preferred (discretionary) criteria, requirements and/or qualifications for submitting a proposal. Failure to meet or comply with the mandatory criteria, requirements and/or qualifications shall be cause for rejection of the proposal. Failure to meet or comply with preferred (discretionary) criteria, requirements and/or qualifications shall be considered in the evaluation process only.

H. Selection criteria are the screening rules established to identify vendors and providers best suited to meet the needs and objectives of the Retirement System. A written evaluation shall be established and conducted as appropriate.

[Source: Adopted by Resolution 6-20-2011; supersedes: #]

6.4 EVALUATION OF PROPOSAL RESPONSES

A. The staff and/or the investment consultant will prepare an analysis of the responses for the Board's consideration. The analysis shall include:

- (1) an analysis of the responses, including a summary of the qualifications; and
- (2) a recommendation regarding contract negotiations

B. Successful providers and vendors should exhibit a consistency of personnel, philosophy and process in regard to the professional services under consideration.

C. Successful providers and vendors must accept fiduciary status with respect to assets managed on behalf of the System.

D. Successful providers and vendors will generally be expected to negotiate professional services agreements and contracts in good faith and to execute "most favored nation" fee clauses which declare that no other client at or below the size of the Retirement System receives a more favorable fee proposal.

E. The Retirement Board reserves the right, when it serves the Retirement System's best interest, to request additional information or clarification, and to allow corrections of errors. The Retirement Board also reserves the right to select more than one vendor or to reject all proposal responses.

F. The Retirement Board and the Retirement System are not responsible for fees, expenses or costs incurred by any vendor desiring to submit a response or submitting to an interview.

[Source: Adopted by Resolution 6-20-2011; supersedes: #]

6.5 FINAL SELECTION

A. Following review and evaluation of the Responses, final providers and vendors may be recommended or a group of finalists may be selected for further evaluation and interview. Finalists may be requested to appear before the Retirement Board or an appropriate Committee for interview or presentation.

B. The successful providers and vendors will be notified of their selection. The selection process is not complete and final until a contract or agreement is negotiated and executed by all parties. Contracts are made and approved by the Board of County Commissioners on behalf of the Retirement System upon recommendation of the Retirement Board.

[Source: Adopted by Resolution 6-20-2011; supersedes: #]

6.6 CONTACT PROHIBITED

All contact with the Retirement System personnel or the Retirement Board members regarding the proposals or responses, except as specifically authorized as part of the formal Q & A process, is prohibited and shall be grounds of elimination from consideration. This “Quiet Period” shall begin with the issuance of the RFP on behalf of the Retirement System until the final selection of the successful provider or vendor. This provision applies to the providers and vendors, as well as to any associates, placement agents or other persons acting on behalf of the provider or vendor. As provided in each RFP, all questions will be directed to the Purchasing Department in writing and all questions and responses will be provided to all firms in the form of a formal addendum.

[Source: Adopted by Resolution 6-20-2011; supersedes: #]

SECTION 7 - HEARINGS AND APPEALS

7.1 HEARING PROCEDURE

A. Any member or participating employer, or in the case of a deceased member, a surviving spouse or beneficiary, who is aggrieved by any informal decision relating to the Retirement System shall have a right to a formal hearing before the Retirement Board. This appeal is the exclusive remedy for resolution of disputes involving the Retirement System.

B. The policies and procedures set forth in this Section shall govern all contested individual proceedings before the Retirement Board. These policies and procedures shall be given the most reasonable meaning, taken in their total context, and will be construed to secure due process in the proper resolution of each controversy.

[Source: Adopted by Resolution 6-20-2011]

7.2 COMMENCEMENT OF APPEAL

A. A decision of the staff of the Retirement System affecting service credit, contributions, benefits, eligibility or any other rights of a member, employer, surviving spouse or beneficiary may be appealed to the Board of Trustees.

B. The appeal must be commenced by filing a timely written request with the Clerk for the Board. In order for the appeal to be considered timely, it must be filed within thirty (30) days after the date of the decision being appealed.

C. The appeal shall be in writing and shall set forth the following:

- (1) the name, address and Social Security number of the aggrieved party;
- (2) a statement regarding the nature or amount of the disagreement or dispute;
- (3) a clear and concise assignment of each error alleged to have been committed;
- (4) a brief summary of the argument and relevant legal authority upon which each assignment of error is made; provided, the aggrieved party shall be permitted to supplement the arguments and legal authorities at the hearing; and
- (5) a statement of the relief sought.

[Source: Adopted by Resolution 6-20-2011]

7.3 REPRESENTATION

An aggrieved party may appear pro se at any stage of the proceeding or may be represented by legal counsel, provided such counsel must be duly licensed to practice law in the State of Oklahoma, and that such counsel has the right to appear and act for and on behalf of the aggrieved party.

[Source: Adopted by Resolution 6-20-2011]

7.4 NOTICE OF HEARINGS

A. All hearings shall take place during a meeting of the Retirement Board.

B. The aggrieved party shall be notified by the Clerk of the Retirement System of the date and time at least seven (7) calendar days prior to the scheduled hearing. This notice will include the date,

time and place of the hearing, as well as any deadlines and procedural requirements for the hearing. The seven-day notice time period may be waived at the request of the aggrieved party.

[Source: Adopted by Resolution 6-20-2011]

7.5 CONTINUANCES

Any request for a continuance shall be filed with the Retirement System no less than three (3) calendar days prior to the scheduled hearing. A lesser period of time may be permitted for good cause shown.

[Source: Adopted by Resolution 6-20-2011]

7.6 FAILURE TO APPEAR

Each party shall be present, on time, and prepared to proceed. If the aggrieved party fails to appear at the scheduled hearing or to timely request a continuance, the Retirement Board shall dismiss the appeal and notice shall be sent to the claimant of the dismissal.

[Source: Adopted by Resolution 6-20-2011]

7.7 CONDUCT OF HEARING

The hearing provides each party the opportunity to present witnesses and evidence in support of his or her respective case. Hearings shall be conducted in accordance with the Administrative Procedures Act and these policies and procedures. The hearing shall be open to the public, unless otherwise protected by law. The Retirement Board may order parts of the proceedings closed, as allowed by the Oklahoma Open Meeting Act, when evidence of a confidential nature is to be introduced or where to do so would be in the best interests of a party, witness, the public or other affected persons. The rules of evidence used during a hearing shall be those specified by the Oklahoma Administrative Procedures Act.

[Source: Adopted by Resolution 6-20-2011]

7.8 HEARING OFFICER

The Chairman of the Retirement Board shall act as the presiding hearing officer and will convene the hearing, note appearances, and consider any motions or preliminary matters. The Chairman shall also have the responsibility to administer oaths or affirmations of the witnesses; rule on any request for an extension of time, or on any other motions or other procedural matters; take official notice of any material fact not appearing as evidence in the record if the fact is among traditional matters of judicial notice; recess and reconvene the hearing; regulate the course of the hearing; rule on admissibility of all evidence; and regulate the conduct of the participants.

[Source: Adopted by Resolution 6-20-2011]

7.9 ORDER OF HEARING

The party requesting the hearing shall be heard first and has the burden of proof to show in what respect the action or proposed action of the Retirement System is incorrect. Each party shall have the

opportunity to present its case, to make opening statements, to call and examine witnesses, to offer documentary evidence into the record and to make closing arguments. Each party shall also have the opportunity to cross-examine opposing witnesses on matters covered in direct examination and, at the discretion of the Chairman, upon matter relevant to the issues even though not covered in direct examination. Any objection to testimony or evidentiary offers should be made, and the basis of the objection stated on the record. The members of the Retirement Board may also question any party or any witness during the course of the hearing.

[Source: Adopted by Resolution 6-20-2011]

7.10 CLOSING THE RECORD

The hearing is concluded and the record shall be closed when each party has had an opportunity to be heard and present evidence. Once the record is closed, no additional evidence or arguments shall be considered.

[Source: Adopted by Resolution 6-20-2011]

7.11 SUBPOENAS

Subpoenas to compel the attendance of witnesses, for the furnishing of information, and/or for the production of evidence or records of any kind may be issued by the Clerk of the Retirement Board. Subpoenas shall be served, and a return made, in any manner prescribed for the service of a subpoena in a civil action. The party requesting the subpoena shall bear the cost of serving it. Fees for a non-party witness who is subpoenaed to appear shall be the same as those fees allowed to witnesses in a civil matter. Party witnesses shall not be entitled to witness fees.

[Source: Adopted by Resolution 6-20-2011]

7.12 FINAL ORDER

After consideration of the evidence in the record and arguments of the parties, the Board shall issue its decision as a final order, which shall include findings of fact and conclusions of law, separately stated. A copy of the Retirement Board's final order shall be delivered to the aggrieved party or his or her representative within fifteen (15) days of final action by the Retirement Board.

[Source: Adopted by Resolution 6-20-2011]

7.13 JUDICIAL REVIEW

Any county employee who has petitioned the Board of Trustees for retirement benefits may on his own behalf appeal from the decision of the Board. Such appeals shall be made to the District Court of Tulsa County, and shall be tried de novo by the Court without a jury. Such appeal shall be made within thirty (30) days of the date of the decision or other of the Board by filing in the office of the court clerk a transcript of the proceedings had before the Board, and a copy of all papers filed in such cause, duly certified by the county clerk. Notice of such appeal shall be given in writing by the person appealing at the time of the filing of such appeal in the District Court, and such notice shall be served upon the Clerk of the Retirement Board and upon the District Attorney.

[Source: 19 O.S. § 962; Adopted by Resolution 6-20-2011]

7.14 EX PARTE COMMUNICATIONS

The Retirement Board prohibits direct or indirect communications by any party or representative of a party with any member of the Retirement Board in connection with any issue of fact or law regarding an appeal before the Board. The Board shall not consider any evidence or statements made to them ex parte by a party or a representative of a party in connection with a pending appeal and shall disclose those statements to the Board.

[Source: Adopted by Resolution 6-20-2011]

SECTION 8 - DECLARATORY RULINGS

8.1 GENERAL PROVISIONS

The Retirement Board may issue declaratory rulings as to the applicability of any policy, procedure or principle of law embodied in an order of the Board which is requested by or on behalf of any member, joint annuitant or beneficiary directly affected thereby subject to the terms and conditions set forth in this section.

[Source: Adopted by Resolution 6-20-2011]

8.2 FORM OF PETITION

A declaratory ruling petition must be made in writing, be signed by the petitioner or an authorized representative or agent, and filed with the Clerk of the Retirement Board. The petition must state:

- (1) that a declaratory ruling is requested pursuant to this Section;
- (2) the petitioner's name, address, phone number, and Social Security number;
- (3) the issue(s) and all relevant facts, on which a declaratory ruling is requested, stated clearly and concisely;
- (4) the petitioner's desired result and legal basis for that result, including reference to the applicable statutes, rules and case law; and
- (5) whether the petitioner is presently pursuing any administrative review, litigation, or negotiation on the issue with the Retirement System, as well as the name of any other person or entity that the petitioner or a duly authorized representative knows is involved with the identical issue pending before or with the Retirement System.

[Source: Adopted by Resolution 6-20-2011]

8.3 PROPOSED DRAFT

The petitioner may provide a proposed draft ruling for consideration by the Board of Trustees.

[Source: Adopted by Resolution 6-20-2011]

8.4 ADDITIONAL INFORMATION

The Board may request additional information from the petitioner as deemed necessary to issue a declaratory ruling. Failure to provide the requested information shall result in denial of the petition.

[Source: Adopted by Resolution 6-20-2011]

8.5 EFFECT OF A DECLARATORY RULING

- A. A declaratory ruling shall have the following effect:
 - (1) the ruling shall apply only to the particular fact situation stated in the petition;
 - (2) the ruling shall apply only to the petitioner;
 - (3) the ruling shall bind the Retirement Board and the Retirement System prospectively only; and
 - (4) the ruling may be revoked, altered or amended by the Board at any time.

- B. The declaratory ruling shall cease to be binding if:
- (1) a pertinent change is made in the applicable law by the Legislature;
 - (2) a pertinent change is made in the policies and procedures adopted by the Retirement Board;
 - (3) a pertinent change in the interpretation of the law is made by a court or administrative tribunal; or
 - (4) the actual facts are determined to be materially different from the facts set out in the petitioner's declaratory ruling petition.

[Source: Adopted by Resolution 6-20-2011]

8.6 ISSUANCE OF A DECLARATORY RULING

The Retirement Board shall make a good faith effort to issue a declaratory ruling within ninety (90) days from the date of receipt of a complete and proper petition unless, in the discretion of the Board, the issue is of such complexity or novelty that additional time is required.

[Source: Adopted by Resolution 6-20-2011]

8.7 CONTENTS OF A DECLARATORY RULING

A written response from the Board or any employee or agent of the Retirement Board or Retirement System to any inquiry from any person or entity shall not be construed to be a declaratory ruling unless made in conformity with this subsection. A declaratory ruling shall contain:

- A. a statement that: "This is a declaratory ruling issued by the Retirement Board of the Employees' Retirement System of Tulsa County" or substantially similar wording; and
- B. the signature of the Chair or Vice-Chair of the Board of Trustees.

[Source: Adopted by Resolution 6-20-2011]

8.8 DENIAL OF A PETITION FOR DECLARATORY RULING

The Retirement Board, in its discretion, may deny a petition for declaratory ruling for good cause. In this instance, the Board shall indicate in writing the reasons for refusing to issue a declaratory ruling. Good cause includes, but is not limited to, the following:

- A. the petition does not substantially comply with the information required by this section;
- B. the petition involves hypothetical situations or alternative plans;
- C. the petitioner requests the Board to interpret or apply a statute, or requests a determination as to whether a statute is constitutional under the Oklahoma Constitution or the United States Constitution;
- D. the facts or issues presented in the petition are unclear, overbroad, insufficient or otherwise inappropriate as a basis upon which to issue a declaratory ruling;
- E. the issue about which the declaratory ruling is requested is primarily one of fact;
- F. the issue is presently being considered in a hearing or judicial proceeding that may definitively resolve the issue;
- G. the issue cannot be reasonably resolved;
- H. the issue is the subject of an administrative proceeding or litigation; or
- I. the petitioner is not identified or is anonymous.

[Source: Adopted by Resolution 6-20-2011]

8.9 WITHDRAWAL OF PETITION FOR DECLARATORY RULING

The petitioner may withdraw the petition for a declaratory ruling, in writing, prior to the issuance of the declaratory ruling.

[Source: Adopted by Resolution 6-20-2011]

SECTION 9 - LEGAL OPINIONS

9.1 DISTRICT ATTORNEY OPINIONS

A. District Attorney Opinions may be provided by the Tulsa County District Attorney's Office from time to time. These Opinions are dated by the year and the order in which they are rendered.

B. The District Attorney Opinions affecting the Retirement System are contained in Appendix Two of this Manual. A copy of this Manual is also maintained in the Tulsa County Clerk's Office. These opinions are arranged in chronological order and contain all known District Attorney Opinions which are pertinent. Appendix Two shall be kept up to date to include the most current opinions rendered.

C. The District Attorney Opinions are binding upon Tulsa County in all county activities. They may be overruled by an opinion of the Oklahoma Attorney General or by a court of proper jurisdiction.

[Source: Adopted by Resolution 6-20-2011; supersedes: #22, 1]

9.2 ATTORNEY GENERAL OPINIONS

A. Oklahoma Attorney General Opinions may be provided by the Oklahoma Attorney General's Office from time to time. These Opinions are dated by the year and the order in which they are rendered.

B. The Attorney General Opinions affecting the Retirement System are contained in Appendix Three of this Manual. A copy of this Manual is also be maintained in the Tulsa County Clerk's Office. These opinions are arranged in chronological order and contain all known Oklahoma Attorney General Opinions which are pertinent. Appendix Three shall be kept up to date to include the most current opinions rendered.

C. The Attorney General Opinions are binding upon Tulsa County in all county activities. They may be overruled by a court of proper jurisdiction.

[Source: Adopted by Resolution 6-20-2011; supersedes: #22, 2]

CHAPTER III.

FINANCIAL AND INVESTMENT PROVISIONS FOR THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY

SECTION 1 - ANNUAL REPORTS

1.1 ANNUAL REPORT

A. After July 1 and before December 1 of each year, the Retirement Board shall publish widely an annual report. The Annual Report shall be presented in simple and easily understood language. The report shall be written in such a manner as to permit a readily understandable means of analyzing the financial condition and performance of the Retirement System for the fiscal year.

B. The annual report shall cover the operation of the retirement system during the past fiscal year, including income, disbursements, and the financial condition of the retirement system at the end of the fiscal year. The annual report shall also include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over-funded status, contributions and any other information deemed relevant by the board of trustees.

C. The Retirement Board has adopted as its policy to prepare a *Comprehensive Annual Financial Report* (hereinafter "CAFR") of the Retirement System. This CAFR shall comply with the standards and format set by the Governmental Accounting Standards Board (hereinafter "GASB") standards of the Government Finance Officers Association (hereinafter "GFOA") certification provisions.

D. The Annual Report shall be submitted to the Board of County Commissioners of Tulsa County. The Annual Report shall also be available to the individual members of the Retirement System.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #11, 3; #16, 1]

1.2 CONTENTS OF ANNUAL REPORT

The *Comprehensive Annual Financial Report* (hereinafter "CAFR") of the Retirement System contains six (6) sections:

- A. The *Introductory Section* contains the Chairman's Report, Chairman's letter of Transmittal, identification of the Board and its members and a summary of the plan provisions;
- B. The *Financial Section* contains the opinion of the independent auditor, the general purpose financial statements, notes to the general purpose financial statements and required supplemental information;
- C. The *Supporting Schedules Section* presents a number of schedules that supplement the Financial Section, including administrative expenses;
- D. The *Actuarial Section* includes the independent actuary's certification letter along with the results of the actuarial valuation and other actuarial statistics;
- E. The *Investment Section* contains a summary of the investment activities, including investment performance; and
- F. The *Statistical Section* includes the various statistical trends and tables of data pertaining to the Retirement System, its members, retirees and beneficiaries and investment results.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #20, 2]

1.3 INTERIM REPORTS

- A. Each month, the Tulsa County Treasurer prepares and submits to the Retirement Board a monthly financial report of the Retirement System.
- B. The Retirement Board shall compile quarterly financial report of all the funds of the system on a fiscal year basis to be distributed to the Board of County Commissioners of Tulsa County. These quarterly reports shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The quarterly report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The Retirement Board may delegate this reporting responsibility to the Investment Consultant selected and retained by the Retirement Board.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #11, 3; #16, 2]

1.4 ACTUARIAL REPORTS

- A. The Retirement Board for the Employees' Retirement System of Tulsa County has the responsibility to set and establish the benefits and contributions necessary to fulfill its obligations to the Retirement System. The Retirement Board shall also determine what benefits may be provided in the future and to evaluate the impact upon the Retirement System. To that end, the Retirement Board is authorized to retain the services of an independent professional actuary to prepare annual actuarial reports and interim actuarial reports as may be required.
- B. The actuarial engagement shall include such supplemental information or schedules necessary for preparation of the Annual Actuarial Report and CAFR.
- C. An independent professional actuary shall be chosen on a competitive basis utilizing the Request for Proposal (hereinafter "RFP") procedures set forth in Section 6 of Chapter II of this Policy and Procedure Manual. The actuary must meet the qualifications of an "Enrolled Actuary" as that term is defined by the Employees Retirement Income Security Act of 1974 (hereinafter "ERISA"). Such RFP for the actuary shall be issued as deemed necessary by the Retirement Board, but at least once every ten years.
- D. The actuary may also be retained to evaluate changes in the plan benefits, changes to the actuarial assumptions or other matters related to the Retirement System. All additional costs or fees associated with this supplemental actuarial work must be approved by the Retirement Board in advance of incurring the charge, after review of the cost estimate from the actuary.

[Source: 19 O. S. § 952.2; Adopted by Resolution 6-20-2011; supersedes: #11, 3; #14]

**SECTION 2 - STATEMENT OF INVESTMENT POLICY,
GUIDELINES AND OBJECTIVES**

2.1 INVESTMENT POLICY

A. The investment policy, guidelines and objectives which govern the investment of monies from the Retirement System shall be developed and adopted by the Retirement Board at a regularly scheduled public Board meeting, at least annually, prior to August 1 of each year. Changes to the investment policy may be made, as necessary, at any public meeting of the Board, in compliance with the Open Meeting Act.

B. The Investment Policies, Guidelines and Objectives are attached hereto as Appendix Four.

[Source: Adopted by Resolution 6-20-2011; supersedes: #07]

2.2 INVESTMENT COMMITTEE

An investment committee shall be appointed by the Chairman of the Retirement Board and will be composed of not more than five (5) members of the Retirement Board. The investment committee shall make recommendations to the full Retirement Board on all matters related to the choice of custodians and managers of the assets of the Retirement System, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the Retirement Board in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the Retirement Board as provided by law.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #7]

2.3 INVESTMENT CONSULTANT

The Retirement Board shall retain a qualified investment consultant to advise the Investment Committee and the Retirement Board on all matters related to the investment of funds, including liability forecasting, asset allocation guidelines and investment policies and guidelines. The investment consultant shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to Chapter II, Section 6 of this Policy and Procedure Manual. The investment consultant shall be a fiduciary to the Retirement System and shall coordinate the investment manager searches and prepare the quarterly and annual performance measurement reports. The investment consultant shall also be responsible to monitor the investment manager's compliance with the investment contracts and the policies of the Retirement Board.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #7]

2.4 INVESTMENT MANAGERS

The Retirement Board shall retain qualified investment managers to provide for the investment of the monies of the Retirement System. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to Chapter II, Section 6 of this Policy and Procedure Manual. The Retirement Board shall manage those monies not specifically allocated to the investment managers.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #7]

2.5 CUSTODIAN

The Retirement Board shall place the funds and revenues for investment by the investment managers or the Retirement Board with a custodian selected by the Retirement Board. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to Chapter II, Section 6 of this Policy and Procedure Manual.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #7]

SECTION 3 - GENERAL STATEMENT REGARDING INVESTMENT POLICY AND INVESTMENT OBJECTIVES

3.1 GENERAL STATEMENT OF RESPONSIBILITY

The Retirement Board of the Employees' Retirement System of Tulsa County has been given the responsibility for administration of the Retirement System including:

- A. establishing overall financial objectives and the setting of investment policy;
- B. selecting appropriate investment options;
- C. selecting qualified Investment Manager(s);
- D. selecting a qualified custodian;
- E. communicating on a structured and ongoing basis with those responsible for investment results; and
- F. monitoring performance to assure that objectives are being met and that policy and guidelines are being followed.

[Source: 19 O. S. §§ 952, 952.2, 953.1A, and 953.2; Adopted by Resolution 6-20-2011; supersedes: #7]

3.2 RELATIONSHIP TO MANAGERS

The Investment Policies, Guidelines and Objectives included in Appendix Four of this Policy and Procedure Manual represents the formal position of the Retirement Board of the Employees' Retirement System of Tulsa County. It is to be communicated to the appointed Investment Manager(s) and serve as their principal source for developing an appropriate investment strategy and, in addition, serves as the basis for these Managers' and the Retirement Systems' future performance evaluation. Any changes to the Investment Policies, Guidelines and Objectives, or exceptions to them, will be in writing and delivered to the Manager(s). The Investment Manager(s) will be responsible for determining investment strategy and implementing security selection and timing within the policy and guidelines limitations.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #7]

3.3 ADOPTION AND REVIEW

The Investment Policies, Guidelines and Objectives govern the investment of monies of the Retirement System and shall be developed and/or reviewed by the Retirement Board at a regularly scheduled public Board meeting, at least annually, prior to August 1 of each year. Changes to the Investment Policy may be made, as necessary, at any public meeting of the Retirement Board.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; supersedes: #7]

3.4 STANDARD OF INVESTMENT

A. The Standard in making investments shall be to exercise the judgment and care in the circumstances then prevailing which people of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable safety of their capital.

B. The Retirement Board and their Investment Advisors shall invest the monies of the Retirement System solely in the interest of the membership and their beneficiaries, and for the exclusive

purpose of providing benefits to such membership and their beneficiaries and defraying reasonable expenses of administering the Retirement System.

C. It is not the intention of the Retirement Board to be involved in the day-to-day investment decisions. Therefore, the assets will be allocated to their Investment Managers in a manner consistent with the Board's asset allocation policy set forth in the Investment Policies, Guidelines and Objectives.

D. The Retirement Board is authorized to invest in the purchase of outstanding civil judgments against any Oklahoma county or municipality, including but not limited to Tulsa County, provided that the Board makes an independent, informed decision regarding these investments and considers the risk and returns to be as good as or better than other investments available to them at the time. The Retirement Board shall take all necessary steps to safeguard this investment, including acting in compliance with all provisions in this Chapter, properly documenting the investment and consultation with the Investment Consultant and legal counsel.

E. Effective October 25, 2016, the Tulsa County Employees' Retirement System shall accept assignment of Judgments in the amount of \$250,000 or less, entered in a District Court of the State of Oklahoma or of the United States of America against Tulsa County, or against one of its officers in his or her official capacity, so long as the statutory or agreed rate of interest to be earned on said Judgment is 5.25% or higher. The Board of Trustees may decline to accept any such assignment upon such board's determination that such an assignment would constitute a conflict of interest, or if the judgment is entered only after a full trial on the merits. This Resolution may be rescinded at any time upon giving two (2) weeks' notice to the Tulsa County District Attorney's Office following a majority vote of the Board of Trustees of the Tulsa County Employees' Retirement System to so rescind this resolution.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011; Amended by Resolution 11-05-2012; Amended by Resolution 10-25-2016]

3.5 INVESTMENT PHILOSOPHY

The Retirement Board believe that the Retirement System's assets should be managed in a fashion that reflects its unique liabilities and funding resources, incorporating accepted investment theory and reliable, empirical evidence. Specifically, the Retirement Board has adopted the following principles:

A. that asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.

B. that diversification, both by and within asset classes, is the primary risk control element.

C. that the pursuit of returns in excess of risk-free alternatives entails distinct probability of disappointing results over one-year periods.

D. that passive alternatives (index funds) to actively managed portfolios are suitable investment strategies, especially in highly efficient markets.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

3.6 INVESTMENT DISCRETION

Full discretion, consistent with Section 3 of this Chapter, with the Investment Policies, Guidelines and Objectives, and with the individual investment contracts and agreements, is granted to all Investment Managers. All Investment Managers are expected to perform their fiduciary duties as prudent experts would and to conform to all Federal and State statutes and regulations governing the investment of retirement funds.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

3.7 EVALUATION AND REVIEW

On a quarterly basis, the Retirement Board will review actual results achieved by the Investment Managers to determine whether:

- A. the Investment Managers performed in compliance with the Investment Policies, Guidelines and Objectives;
- B. asset allocation and security selection decisions were reasonable and in compliance with the Investment Policies, Guidelines and Objectives; and
- C. the Investment Managers and the overall funds performed satisfactorily when compared with the performance objectives contained in the Investment Policies, Guidelines and Objectives.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

3.8 PERFORMANCE EVALUATION

- A. The Retirement Board will evaluate performance results relative to:
 - (1) an appropriate universe of investment management organizations managing similar discretionary, tax-exempt portfolios; and
 - (2) recognized market indices.
 - (3) managers' composites of similarly managed portfolios.
- B. Quarterly performance will be evaluated to review progress toward attainment of longer term targets. It is understood that there are likely to be short-term periods during which performance deviates from market indices. During such times, greater emphasis shall be placed on performance comparisons with managers employing similar styles.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

3.9 STANDARDS OF MEASUREMENT

In consideration of these evaluation and review policies, multiple standards will be used to compare and evaluate actual performance of investment managers, asset classes and the total fund. In each case, actual performance will be measured vis-à-vis three standards: (1) an investible, widely recognized, style related index or blend of indexes; (2) a suitable peer group comprised of similar portfolios; and (3) a real return objective.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

3.10 ADMINISTRATION

A. The Retirement Board is mindful of the necessity to hire and retain a professional Master Custodian who will act as a fiduciary in the safekeeping of the Retirement System's assets, handling of all investment transactions including, but not limited to, the purchase and sale of securities, the receipt and crediting of dividends and interest, and the transfer of other assets of the Funds.

B. The Master Custodian is required to have the ability to provide monthly asset statements and transaction statements of the Retirement System. In addition, the Master Custodian must be able to provide on-line access (daily) to the Retirement Board, or their designee(s), to the information stated

above. The Master Custodian must have the ability, either directly or through a subsidiary or correspondent network, to provide custodial activities for the international investments of the Retirement System.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

3.11 ANNUAL REPORTING REQUIREMENTS

A. Formal reviews of all investment managers and professionals with the Retirement Board will be held annually or as otherwise scheduled by the Board. The dates of meetings will be scheduled in advance and notification will be made in writing. The material covered during each meeting should be available in advance in summary written form.

B. The material to be covered during the meeting should include:

(1) information concerning the economic and market outlook and the portfolio's posture, given alternative futures.

(2) an outline of the current investments and strategy, including a list of securities acquired and disposed of during the reporting period and sector concentrations and recent or anticipated changes to those commitments.

(3) recent portfolio performance, including a discussion of the largest holdings and the worst performing issues.

(4) Proxy Voting Summary for current reporting period.

(5) summary of all transactions and a list of all transactions traded through the Commission Recapture Vendors. If targets for manager(s) were not achieved, an explanation in writing is required.

(6) for fixed income portfolios, a maturity or duration sector analysis for the bond portfolio and the average-weighted yield and quality distribution for the portfolio.

(7) other items of importance which may occur, such as changes in working relationship necessary to comply with pertinent legislation, material changes in the organization, departures from the firm of key policy-making personnel, including partners, analysts, portfolio managers and department managers, any changes in the firm's basic investment philosophy or approach, and any recommendations concerning any change in policy which should be considered by the Retirement Board.

(8) a report of the market value of derivatives exposure in their portfolio.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

SECTION 4 - COMMISSION RECAPTURE

4.1 COMMISSION RECAPTURE

The Retirement Board recognizes that the commissions generated by the trading of securities of the Retirement System may generate cash flow which belongs to the Retirement System. The Retirement Board reserves the right to direct brokerage to those institutions that will rebate a portion of the commissions generated to the benefit of the Retirement System. The Managers so instructed shall recognize that, in their trading of securities, the total cost of the trade, commission plus market impact, should be minimized.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

4.2 COMMISSION RECAPTURE GUIDELINES

Specifically, the following guidelines shall apply with respect to Commission Recapture:

A. Contracts between the Retirement Board and its vendors shall not be paid on a Soft Dollar basis.

B. Relationships for Commission Recapture will be between the Retirement Board and various brokerage firms.

C. All Commission Recapture credits shall be returned directly to the Retirement System on a monthly basis by the brokerage houses which have Commission Recapture contracts with the Retirement Board.

D. No investment manager is directed to trade with any particular brokerage firm.

E. Each investment manager shall attempt to reach its individual directed trade target, which shall be generally expressed as a percentage of its trades. Each manager's target shall be specified in its investment agreement.

F. Each manager shall report to the Retirement Board on a monthly basis a summary of all transactions and a list of all transactions that were executed through the Retirement Board's Commission Recapture vendors.

G. Investment Managers are prohibited from directing trades through any independent fiduciary to the Retirement System or its subsidiary or affiliates as a broker/dealer. A list of fiduciaries will be furnished by the Retirement Board to the Investment Managers at a minimum on an annual basis.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

SECTION 5 – PROXY VOTING

5.1 PROXY VOTING

The Retirement Board is mindful of its fiduciary obligation with respect to the voting of proxies of companies whose securities are owned by the Retirement System. Because of the complexity of issues and further because of the direct impact on investment values, it is the Retirement Board's considered belief that the Investment Managers that are employed by the Retirement System are best suited to vote the proxies of shares held in the portfolios they manage. Therefore, as part of this Statement of Policy Guidelines and Investment Objectives, the Retirement Board is instructing their Investment Managers to vote proxies of companies in accordance with the Proxy Voting guidelines attached hereto. There are two major categories of proxy issues: Routine Matters and Business Matters.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

5.2 ROUTINE PROXY MATTERS

Routine proxy proposals should be voted in support of company proposals unless there is a clear reason not to do so. Routine matters include:

- A. Election of directors,
- B. Size of board,
- C. Corporate name change,
- D. Appointment of auditor,
- E. Stock split,
- F. Amendment of Articles of Incorporation that are required to comply with Federal or State regulation, and
- G. Changing date, time or location of annual meeting.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

5.3 BUSINESS PROXY MATTERS

Business proposals which do not eliminate the rights of shareholders and especially minority shareholders, the status of securities held or ownership status of the securities may be voted with management. However, these issues should not be treated as routine, but should be carefully analyzed. Business proposals which are non-routine and which would impair or might impair the economic interests of shareholders should be voted against management. Examples of such proposals are:

- A. Request to alter by-laws to require a super majority to approve mergers.
- B. Anti-takeover proposals which could restrict tender offers and/or which could deny majority owners from exercising judgment.
- C. Proposals to dilute existing shares by issuing substantially more stock without adequate explanation by management.
- D. Proposals that would enrich management excessively, or would substantially increase compensation awards and/or employment contracts to senior management which become effective upon change in ownership of the company a.k.a. "golden parachute" awards.

On all other matters, the Investment Manager should vote proxies in accordance with their own guidelines and policies to the best interests of the Fund participants and beneficiaries.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

5.4 PROXY REPORT REQUIREMENTS

The Investment Managers are required to supply the Retirement Board with a list of the shares of securities voted, the issues involved and the votes made. Each investment manager will furnish this list in their quarterly reports. Reporting of votes on Routine Matters is not required.

[Source: 19 O. S. § 953.1A; Adopted by Resolution 6-20-2011]

SECTION 6 – AUDIT POLICY

6.1 AUDIT STANDARDS

A. Except as otherwise provided by law, the Retirement System shall have an audit conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards at least every five years. Copies of any audit, performance audit, agreed-upon-procedures report, or other attestation engagement report produced by a person other than the State Auditor shall be filed with Tulsa County Clerk and the Board of County Commissioners. The expense of the audit shall be paid by the Retirement System.

B. All registrants, as defined in the Oklahoma Accountancy Act, before entering into audit contracts required under this section, shall certify that such registrant meets Government Auditing Standards and has a current permit to practice issued by the Oklahoma Accountancy Board.

C. Any audits conducted shall be in a form consistent with the guidance in the most recent audit guide for state and local governments prepared by "The American Institute of Certified Public Accountants".

[Source: Adopted by Resolution 6-20-2011]

CHAPTER IV.

BENEFITS AND PLAN PROVISIONS FOR THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY

SECTION 1 – ESTABLISHMENT OF BENEFITS

1.1 AUTHORIZATION OF RETIREMENT SYSTEM

A. The Board of County Commissioners of Tulsa County is authorized to provide by resolution for the Retirement System as delayed compensation in order to encourage continuity of dedicated service on the part of Tulsa County employees and thereby promote public efficiency, and to provide retirement allowances and other benefits for such employees, their surviving spouses and surviving children; such fund to be supported by joint contributions by such county and the employees to be benefited.

B. The Retirement System established by the Board of County Commissioners has provided the following plan provisions, by resolution, which are necessary to accomplish the purposes for which it was created.

[Source: 19 O.S. §§ 951, 958; Adopted by Resolution 6-20-2011]

1.2 RETIREMENT SYSTEM PROVISIONS

The Retirement System provides, among other things, for:

- A. the qualifications of the persons eligible for retirement benefits;
- B. the minimum age for retirement of employees;
- C. the limitations of amounts to be paid to persons eligible for retirement benefits;
- D. the amount of contributions to be made by the county and the amount to be made by the employees; and
- E. the plan provisions set forth in this Chapter IV, which are necessary for the proper regulation of the retirement fund and system.

[Source: 19 O.S. §952; Adopted by Resolution 6-20-2011]

1.3 PLAN AMENDMENTS

A. The Board of County Commissioners and the Retirement Board shall not adopt any plan amendment or otherwise modify the plan provisions of the Retirement System in any manner that would result in an increase in the unfunded actuarial accrued liability of the retirement plan.

B. For purposes of this Section, "unfunded actuarial accrued liability" means the excess of the actuarial accrued liability over the actuarial value of assets.

C. The Board of County Commissioners and the Retirement Board may adopt a plan amendment or other modification that increases retirement benefits or that would otherwise increase the unfunded actuarial accrued liability of the retirement plan if the county provides concurrent funding for the plan amendment or other proposed plan modification.

D. For purposes of this Section, "concurrent funding" means an increase in employer contributions, employee contributions, apportioned tax revenues or other assets transferred to the Retirement System to offset any increase in unfunded actuarial accrued liability of the plan.

E. Before the Board of County Commissioners and the Retirement Board adopts a plan amendment or other plan modification which could have a financial impact upon the actuarial liability of the system, the proposed plan amendment or other plan modification shall be reviewed by the actuary selected by the Retirement Board pursuant to Section 1.4 of Chapter III of this Manual. The actuary shall prepare an impact statement with respect to the proposed plan amendment or other plan

modification and shall provide the impact statement to the Retirement Board and to the Tulsa County Clerk.

F. If the impact statement prepared by the actuary determines that the proposed plan amendment or other plan modification would increase the unfunded actuarial accrued liability of the Retirement System, the Board of County Commissioners and the Retirement Board shall not adopt or implement the amendment or other modification unless concurrent funding is established.

[Source: 19 O.S. §965; Adopted by Resolution 6-20-2011]

SECTION 2 - TAX STATUS

2.1 DETERMINATION LETTERS

A. Retirement plans of taxable enterprises must obtain favorable determination letters from the U. S. Internal Revenue Service (IRS) as to the tax-exempt status of their plans for the contributions to their plans to be deductible for federal income tax purposes. Because Tulsa County is already tax-exempt, such a determination letter for this purpose is not required.

B. Tulsa County may, from time to time, consider obtaining an IRS determination letter. This would confirm that contributions to the plan will not be considered taxable income for members.

C. A determination letter could also allow the Plan to receive refunds of taxes withheld by foreign governments on interest and dividends received from foreign investments. Until recently, the Retirement System has had no foreign tax withheld. However, since the Retirement System has equity investments in separately managed accounts, it now has foreign tax withheld from dividends from foreign based companies that have stock listed on U. S. exchanges. Because of this foreign tax exposure, the Retirement Board shall periodically review the cost and benefits of applying for an IRS determination letter and take appropriate action.

[Source: Adopted by Resolution 6-20-2011; supersedes: #25]

2.2 QUALIFIED PLAN

A. The Board of County Commissioners and the Retirement Board operate the Retirement System in compliance with the plan provisions, the Oklahoma State statutes, primarily Chapter 25 of Title 19, and with all applicable provisions of the IRS.

B. It is the intention of the Board of County Commissioners and the Retirement Board that this Retirement System be considered an eligible, qualified governmental pension plan pursuant to Internal Revenue Code Section 401(a), 26 U.S.C. §401, and Internal Revenue Code Section 414(d), 26 U.S.C. §414(d), as applicable, and applicable Treasury regulations and other guidance.

C. The Retirement System is a governmental plan and is exempt from regulation under the federal Employee Retirement Income Security Act of 1974 (ERISA).

D. The Board of County Commissioners shall be authorized to adopt Resolutions, as recommended by the Retirement Board, which may be appropriate or necessary to maintain the qualified status of the Plan.

[Source: Adopted by Resolution 6-20-2011; supersedes: #25; Amended by Resolution 11-05-2012]

2.3 PRE-TAX HEALTH CARE PAYMENTS

Retirees of the Retirement System are not eligible for pre-tax health care benefits.

[Source: Adopted by Resolution 6-20-2011; supersedes: #12]

SECTION 3 – ELIGIBILITY FOR MEMBERSHIP

3.1 MEMBERSHIP MANDATORY

Membership in the Retirement System is mandatory for all eligible employees, including elected officials. An employee becomes eligible on the first day of employment as a regular, full-time employee.

[Source: 19 O.S. §957; Adopted by Resolution 6-20-2011; supersedes: #21]

3.2 ELIGIBILITY FOR MEMBERSHIP

A. Employee is defined as all elected or appointed salaried officials and regular full-time salaried employees of Tulsa County, and shall also include regular full-time employees of the county board of library trustees, county employees whose salaries are paid in whole or in part from the court fund of Tulsa County, employees of county circuit engineering districts, and employees of any public trust created pursuant to law in which Tulsa County is the sole beneficiary of the public trust, if approved by the Board of County Commissioners.

B. A regular, full-time employee is an employee who:

- (1) is paid a monthly rate of compensation;
- (2) works a full-time schedule; and
- (3) is employed by Tulsa County or an eligible entity as set forth herein.

C. No seasonal, temporary, hourly, part-time or contract worker is eligible to become a member of the Retirement System.

[Source: 19 O.S. §957; Adopted by Resolution 6-20-2011; supersedes: #21]

3.3 SPECIAL MEMBERSHIP

As a result of specific legislative mandates prior to October 1, 2012, some eligible county employees who were participating in the Retirement System, but had his or her job transferred to another entity or state agency, were permitted to remain in the Retirement System, rather than transferring to a new system of the new employing entity. The new employing entity must pay to the Retirement System all required contributions. On and after October 1, 2012, any eligible county employee who incurs a job transfer to another entity or state agency shall not be eligible for the special arrangement under this section and shall be subject to the same distribution provisions effective for any county employee who incurs a termination of employment pursuant to Section 5 or Section 9 of this Chapter, as applicable.

[Source: Adopted by Resolution 6-20-2011; supersedes: #21; Amended by Resolution 11-05-2012]

SECTION 4 - RETIREMENT CONTRIBUTIONS

4.1 CONTRIBUTION LIMITATION

Effective July 1, 2010, the statutory limitation on the combined employer and employee contributions cannot exceed sixteen percent (16½%) of the monthly compensation of each member.

[Source: 19 O.S. § 954; Adopted by Resolution 6-20-2011; supersedes: #03]

4.2 EMPLOYER & EMPLOYEE CONTRIBUTION

A. Effective, July 1, 2017 Tulsa County contributes 14% of an employee's base pay on a monthly basis to the Retirement System.

[Source: Adopted by Resolution 7-1-2010; Amended by Resolution: 10-31-2016; 4-22-2013; 3-26-2012; 7-1-2010]

B. Effective July 1, 2017, participating employee members of the Retirement System contribute two percent and 50 basis points (2.5%) of his or her base pay on a monthly basis to the Retirement System.

[Source: Adopted by Resolution 6-20-2011; supersedes: #03; Amended by Resolution 10-31-2016; 10-19-2015; 4-22-2013]

C. Effective July 1, 2012, employee contributions are calculated pre-tax.

[Source: Adopted by Resolution 6-18-12]

4.3 CONTRIBUTION CALCULATION

Retirement contributions are calculated based upon the employee's monthly base pay, excluding overtime and/or special services pay.

[Source: Adopted by Resolution 6-20-2011; supersedes: #03]

4.4 LEAVE WITHOUT PAY

No retirement contributions are made by the County on an employee's behalf when that employee is on leave without pay, except as provided in Section 8 of this Chapter regarding continued retirement service credit during some periods of leave without pay.

[Source: Adopted by Resolution 6-20-2011; supersedes: #03]

SECTION 5 - WITHDRAWAL & REDEPOSIT OF CONTRIBUTIONS

5.1 REFUNDS OF CONTRIBUTIONS

- A. An employee who has contributed to the Retirement System and terminates his employment, either by resignation, discharge or failure of re-election, prior to becoming eligible for retirement benefits, shall be entitled to receive, upon proper application, an amount equal to the sum actually paid by the employee, deducted from the employee's salary and deposited with the Retirement System.
- B. All amounts so withdrawn by the employee shall be paid without interest.
- C. All applications for withdrawal of retirement contributions shall be in writing on the appropriate form for such a refund of the employee's contributions to the Retirement System. This form is available from the County Clerk's Office.
- D. After proper application, the withdrawal request shall be submitted for approval by the Retirement Board of the Retirement System. The refund warrant will be issued no later than the fifth working day of the month following such approval.
- E. The withdrawal of contributions to the retirement fund as provided herein is irrevocable once the warrant is cashed.

[Source: 19 O.S. § 953; Adopted by Resolution 6-20-2011; supersedes: #04]

5.2 REDEPOSIT OF CONTRIBUTIONS

- A. If an employee who has withdrawn his or her accumulated contributions at any period of time has returned to employment with Tulsa County or other eligible entities and has otherwise met the eligibility requirements for membership, he or she must participate as a new member. Contributions previously withdrawn are not eligible for repayment and the employee cannot reinstate the creditable service covered by such withdrawn contributions.
- B. In the event that a former employee receives a warrant in the amount of his contributions, but fails to cash the warrant, the withdrawal of the funds will be considered complete. A reissuance of any cancelled warrants shall be made upon request.

[Source: 19 O.S. § 953; Adopted by Resolution 6-20-2011; supersedes: #04]

5.3 WITHDRAWAL OF VESTED BENEFITS

If any employee who is vested as provided in this Chapter elects to withdraw his or her contributions pursuant to Section 5 of this Chapter, they will not be eligible to receive any benefits otherwise available from the Retirement System. Any such vested employee, by receipt of the withdrawn contributions is irrevocably waiving all credit and rights of membership in the Retirement System.

[Source: 19 O.S. § 953; Adopted by Resolution 6-20-2011; supersedes: #04]

5.4 EXPIRATION OF PREVIOUS RIGHT TO REPAY WITHDRAWN CONTRIBUTION

Prior to August 31, 1994, Oklahoma statutes provided two windows of opportunity for eligible employees to repay withdrawn contributions, with interest, and reinstate the service credits previously cancelled. The last window expired in August 1994 and current employees may no longer redeposit those withdrawn contributions.

[Source: 19 O.S. § 953; adopted by Resolution 6-20-2011; supersedes: #04]

SECTION 6 - RETURN TO EMPLOYMENT

6.1 RETURN OF A NON-VESTED EMPLOYEE

A. For purposes of this Section, a non-vested employee is an employee with less than five (5) years of credited, Tulsa County service, who has terminated his or her employment but has not withdrawn his or her contributions.

B. In the event such non-vested former employee returns to eligible Tulsa County employment, the employee may acquire additional credit to apply towards vesting and retirement. In order to obtain additional retirement service credits, a non-vested employee who returns to eligible employment must participate in the Retirement System.

[Source: Adopted by Resolution 6-20-2011; supersedes: #04; Amended by Resolution 11-05-2012]

6.2 RETURN OF VESTED EMPLOYEE

A. For purposes of this Section, a vested employee is an employee with at least five (5) years of credited, Tulsa County service, who has terminated his or her employment but has not withdrawn his or her contributions.

B. In the event any vested former employee returns to eligible Tulsa County employment, the employee shall return to participation in the Retirement System and the re-employed vested employee will acquire additional service credit toward retirement.

[Source: Adopted by Resolution 6-20-2011; supersedes: #04; Amended by Resolution 11-05-2012]

6.3 RETURN OF RETIRED MEMBERS

Retired members may return to eligible Tulsa County employment only as provided in Section 13 of this Chapter.

[Source: Adopted by Resolution 6-20-2011; supersedes: #04]

SECTION 7 – ADMINISTRATIVE OPERATIONS OF THE RETIREMENT SYSTEM

7.1 RECORDKEEPING

A. The Retirement System reserves the right to use any information contained in a member's file, in the format necessary, for the recordkeeping, data processing and administrative use of the Retirement System. This includes, but is not limited to, use of names or initials, social security numbers, birth dates and zip codes. All formatting and data requirements shall be determined by the System, upon review from time to time.

B. The County Clerk and any participating employing entity shall be responsible to furnish all required information reasonably requested by the Retirement System to insure compliance with all applicable federal and state laws, rules and regulations. The Retirement Board reserves the right to withhold activity pending timely receipt of this information, including but not limited to, refunds, withdrawal payments and retirement processing.

[Source: Adopted by Resolution 6-20-2011]

7.2 AUTHORIZED MEMBER SIGNATURE

A. No signature other than that of the member, surviving spouse or beneficiary will be accepted on Retirement System forms, applications or requests for confidential information unless the individual signing presents a valid power of attorney, papers of guardianship or conservatorship, or a legal court order. No person may act on behalf of the member, surviving spouse or beneficiary including a spouse or parent, except as provided herein.

B. The Retirement System will accept documents signed by an authorized attorney-in-fact, pursuant to a durable or statutory power of attorney. The power of attorney must be in substantial compliance with Oklahoma law and/or the Oklahoma Uniform Durable Power of Attorney Act, must contain the statutorily prescribed language and/or witnesses and must be filed with and approved at the sole discretion of the System. The member, surviving spouse or beneficiary will retain the right to act regarding his or her retirement account. Any conflict in direction or instruction between the member, surviving spouse or beneficiary and the attorney-in-fact shall be resolved in favor of the member, surviving spouse or beneficiary. The right to act under a durable or statutory power of attorney terminates at the death of the principal.

C. If a guardian or conservator has been appointed for a member, surviving spouse or beneficiary by a court of proper jurisdiction, only the named guardian or conservator can act on behalf of the member, surviving spouse or beneficiary. A certified copy of the filed court order of appointment must be filed with the Retirement System and will be effective until amended or withdrawn by subsequent court order. The guardian or conservator shall have exclusive authority to act on behalf of the member, surviving spouse or beneficiary unless the court instructs otherwise.

D. Any person authorized to act on behalf of the member, surviving spouse or beneficiary as provided herein is prohibited from self-dealing relating to the benefit, account or funds of said member, surviving spouse or beneficiary. For purposes of this rule, self-dealing consists of any change or action which alters a previous instruction or document or makes an election or selection, either of which would result in a benefit or pecuniary interest to said attorney-in-fact, guardian, conservator, custodian or trustee or to the spouse or children of said attorney-in-fact, guardian, conservator, custodian or trustee absent a court order specifically permitting or approving such self-dealing issued by a court of proper jurisdiction. For illustrative purposes, an attorney-in-fact, operating under a durable power of attorney is

prohibited from changing the member's beneficiary designation to him or herself and/or prohibited from naming his or her spouse as the surviving spouse under a retirement option.

E. In the event that a named beneficiary is a minor, the Retirement System will accept documents signed by a guardian appointed for the minor by a court of proper jurisdiction. If the property belonging to the minor is \$10,000 or less, the Retirement System will accept documents signed by an authorized parent, relative or custodian pursuant to the Oklahoma Uniform Transfers to Minors Act. The parent, relative or custodian must provide all required forms and documentation for approval at the sole discretion of the Retirement System.

[Source: Adopted by Resolution 6-20-2011]

7.3 ORIGINAL REQUIRED

An original document containing a member's, surviving spouse's or beneficiary's signature is generally required on all Retirement System forms, applications or requests. Retirement notice forms, beneficiary designation forms, and any form which requires a notarized signature, must always be provided as original signed documents.

[Source: Adopted by Resolution 6-20-2011]

7.4 OVERPAYMENT RECOVERY

In any circumstance involving an overpayment to any person or entity, to recover judgments or settlements relating to the Retirement System, or concerning a fraudulent or improper payment, the Retirement Board shall correct such overpayment as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program). This correction has priority over any other claim to said monies except as provided by law, including, but not limited to, the right of any survivor or beneficiary.

[Source: Adopted by Resolution 6-20-2011; Amended by Resolution 11-05-2012]

7.5 CONFIDENTIAL INFORMATION

A. All information in a member's retirement file remains confidential, including information or documents pertaining to surviving spouses or beneficiaries.

B. The Retirement System will only disclose information or records that are clearly required to be disclosed under the law. All requests for information must be in writing and state the specific information requested and the purpose for the request.

[Source: Adopted by Resolution 6-20-2011]

SECTION 8 - CREDITED SERVICE

8.1 CALCULATING CREDITED SERVICE

A. Credited service refers to a member's actual employment with Tulsa County or a participating entity. Except as provided in this Chapter, credited service must have been service for which required contributions have been paid the System.

B. Employees obtain credited service by:

(1) actual employment with Tulsa County or a participating entity, while participating and paying contributions to the Retirement System; and/or

(2) making certain types of purchases of service credit which represent actual employment or as otherwise provided by law or in this Chapter.

C. Service is calculated in terms of days, months and years. If the sum total of all credited service results in a fractional year of one hundred eighty-three (183) days or more, the member shall receive a full year of service credit.

D. For determining eligibility for “Rule of 80”, or “Rule of 90” for employees hired after June 30, 2017, the fractional year is not rounded. The years, months and days of the service and the years, months and days of the age of the member are added together. The total must equal or exceed 80 to be eligible for “Rule of 80”; or the total must equal or exceed 90 to be eligible for “Rule of 90”.

E. Once the number of years of service credit is determined, that number is used to calculate the benefit amount.

[Source: Adopted by Resolution 6-20-2011; Amended by Resolution 4-3-2017]

8.2 ELECTED OFFICIAL SERVICE CREDIT

Elected Official service credit which was purchased prior to July 1, 2003 pursuant to 19 O.S. § 956.1, cannot be used for vesting purposes.

[Source: 19 O.S. § 956.1, *repealed*; Adopted by Resolution 6-20-2011 supersedes: #02; Amended by Resolution 11-05-2012]

8.3 APPROVED PAID LEAVE

Members of the System who take approved paid leave will continue to receive service credit for time toward vesting and retirement, provided that the appropriate required contributions are paid.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02; Amended by Resolution 11-05-2012]

8.4 FMLA LEAVE

Credited service will be given for any period of leave taken under the Family Medical Leave Act (FMLA) and it will be treated as continued service under all requirements on vesting or eligibility to participate in the Retirement System for up to twelve work weeks, in a twelve-month period.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02]

8.5 WORKERS' COMPENSATION LEAVE

Credited service will be given towards retirement service time and vesting for employees who are on an approved leave of absence due to valid workers' compensation claim.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02; Amended by Resolution 11-05-2012]

8.6 OTHER LEAVE WITHOUT PAY EXCLUDED

Retirement credit does not accumulate while an employee is on any other type of leave of absence without pay, except as outlined in above.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02]

8.7 MILITARY SERVICE CREDIT

A. Effective December 12, 1994, uniformed services credit shall be given only to those veterans who were honorably discharged from the uniformed services of the United States. For purposes of this Subsection, uniformed services mean the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or national emergency.

B. Effective December 12, 1994, and notwithstanding any other provision of the Retirement System, contributions, benefits, and service credit with respect to uniformed service for employees of Tulsa County who leave county service and return to Tulsa County service shall be governed by Internal Revenue Code Section 414(u) and the Uniformed Services Employment and Reemployment Rights Act of 1994, subject to the following:

(1) Any person who is a regular county employee immediately preceding the time he is required, by Act of Congress of the United States and/or by order of the President of the United States, or volunteers to leave the employment of the county to enter the uniformed services of the United States government shall receive credited service for all actual time so served in full-time uniformed services, to the extent required by Internal Revenue Code Section 414(u) and the Uniformed Services Employment and Reemployment Rights Act of 1994.

(2) In order to be eligible to receive such credited service, the employee shall be required to make up missed contributions for the period of uniformed service during the repayment period starting with the date of reemployment and continuing for up to three times the length of the employee's immediate past period of uniformed service, not to exceed a total repayment period of five (5) years. If the employee withdrew funds in connection with the period of uniformed service, the employee shall be permitted to repay the withdrawn funds, plus interest that would have accrued had the funds not been withdrawn, during the repayment period starting with the date of reemployment and continuing for up to three (3) times the length of the employee's immediate past period of uniformed service, not to exceed a total repayment period of five (5) years and receive credited service under paragraph (1) of this Subsection.

(3) Neither the employee nor Tulsa County shall be required to make further contribution to the Retirement System during the period of uniformed services.

(4) Uniformed services credit shall be used to satisfy the service time required for vesting, under the current years of service only vesting plan or the Rule of 80 vesting plan if hired prior to July 1, 2017 or Rule of 90 vesting if hired after June 30, 2017.

C. If any employee of Tulsa County who shall have completed at least fifteen (15) years of service and who has not yet reached the age of retirement shall die while in uniformed services, then, and in such event, the surviving spouse of said employee shall receive benefits as provided in Section 15 of this Chapter.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #06; Amended by Resolution 11-05-2012]

SECTION 9 - ELIGIBILITY FOR RETIREMENT

9.1 ELIGIBILITY FOR BENEFITS

Members of the Retirement System shall be eligible for retirement benefits when they have:

- A. attained the age of sixty-two (62) years and shall have served for a period of at least five (5) years with Tulsa County; or if hired after June 30, 2017, attained the age of sixty-five (65) years;
- B. attained the age at which the sum of the employee's age and number of years of service with the county total eighty (80); or if hired after June 30, 2017, number of years of service with the county total ninety (90)
- C. attained the age of fifty-five (55) years and shall have served for a period of at least five (5) years with said county and the member elects reduced early retirement benefits.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #02; Amended by Resolution 11-05-2012; 4-3-2017]

9.2 EMPLOYMENT CEASED

To be eligible to retire, the employee's employment with the County must have ceased prior to the effective date of retirement.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #19]

9.3 FIVE YEAR VESTING

- A. A member of the Retirement System becomes vested when they have a minimum of five (5) years of credited service. This five-year period is not required to be continuous.
- B. If an employee becomes vested by having a minimum of five years of participation in the Retirement System but who has not yet reached the age of 62, or age 65, for employees hired after June 30, 2017, he may then make application in writing and elect to retire in the future. Such retirement shall become effective and all retirement benefits to begin when the employee reaches the age of 62, or age 65, for employees hired after June 30, 2017, except for an election of early retirement. Any funds paid into the Retirement System by such employee may not thereafter be withdrawn by such employee.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #19; Amended by Resolution 11-05-2012]

9.4 RULE OF 80

- A. A member may qualify for retirement under the "Rule of 80" if his or her age in years and months, added to the years and months of service with Tulsa County, equal the sum of 80 points or more.
- B. There is no minimum age requirement or reduction of benefits for retirees under age 62 for retirement under Rule of 80. The retiree receives payment for the number of years and months he has participated in the Retirement System.
- C. It is possible to retire under the "Rule of 80" with less than five (5) years of credited service.

D. Once a member meets the “Rule of 80”, he or she may retire at any time, provided the employee makes a proper election in writing, upon the appropriate forms, at least 15 days prior to the effective retirement date, unless waived by the Retirement Board for good cause shown. Any funds paid into the Retirement System may not, thereafter, be withdrawn by the employee.

E. FMLA leave, workers’ compensation leave and some military service leave will be included as credited service towards eligibility under the “Rule of 80”.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #19]

9.5 RULE OF 90 - FOR EMPLOYEES HIRED AFTER JUNE 30, 2017

A. A member may qualify for retirement under the “Rule of 90” if his or her age in years and months, added to the years and months of service with Tulsa County, equal the sum of 90 points or more.

B. There is no minimum age requirement or reduction of benefits for retirees under age 65 for retirement under Rule of 90. The retiree receives payment for the number of years and months he has participated in the Retirement System.

C. It is possible to retire under the “Rule of 90” with less than five (5) years of credited service.

D. Once a member meets the “Rule of 90”, he or she may retire at any time, provided the employee makes a proper election in writing, upon the appropriate forms, at least 15 days prior to the effective retirement date, unless waived by the Retirement Board for good cause shown. Any funds paid into the Retirement System may not, thereafter, be withdrawn by the employee.

E. FMLA leave, workers’ compensation leave and some military service leave will be included as credited service towards eligibility under the “Rule of 90”.

[Source: Adopted by Resolution 4-3-2017]

SECTION 10 - RETIREMENT BENEFITS

10.1 REGULAR RETIREMENT BENEFITS

A. The regular or normal retirement benefit, paid monthly to the retiree, is calculated using the employee's average of the three highest years of base payroll earnings as set forth in Subsection 10.2 below, multiplied by the appropriate percentage based on the number of credited years of service the employee has in the Retirement System, up to a maximum of one hundred percent (100%) of base pay.

B. Regular or normal retirement includes retirements pursuant to 9.3 (for age) and 9.4 (for Rule of 80) and 9.5 (for Rule of 90) above.

C. The benefit percentages by years of credited service for members who were vested as of June 30, 2010, are as follows:

<u>Years of Credited Service</u>	<u>Benefit Percentage</u>	<u>Years of Credited Service</u>	<u>Benefit Percentage</u>
1	2.5%	11	28%
2	5%	12	31%
3	7.5%	13	34%
4	10%	14	37%
5	12.5%	15	40%
6	15%	16	42%
7	17.5%	17	44%
8	20%	18	46%
9	22.5%	19	48%
10	25%	20	50%

D. The benefit percentages by years of credited service for members who were not vested as of June 30, 2010, or who were hired after June 30, 2010 are as follows:

<u>Years of Credited Service</u>	<u>Benefit Percentage</u>	<u>Years of Credited Service</u>	<u>Benefit Percentage</u>
1	2%	11	22%
2	4%	12	24%
3	6%	13	26%
4	8%	14	28%
5	10%	15	30%
6	12%	16	34%
7	14%	17	38%
8	16%	18	42%
9	18%	19	46%
10	20%	20	50%

E. For both C. and D. above, the percentage will increase one and one-half percent (1.5%) for each additional year of credited service beyond 20 years to a maximum of 100 percent (100%) of base pay.

F. Early retirement benefits elected by a vested employee as provided in Section 10.3 of this Chapter will be calculated with a reduced benefit based on the specific percentage reduction table provided by the actuary.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #19; Amended by Resolution 4-3-2017]

10.2 CALCULATING "THREE HIGHEST YEARS" OF PAY

- A. For purposes of this Section and the calculation of the three highest years of pay, a year is defined as a 12-continuous month period.
- B. Base payroll earnings do not include overtime, compensatory time, payments for unused personal leave time, expense allowances, bonuses, or other similar forms of compensation.
- C. The highest 12 continuous months of base pay is determined first, followed by the second highest 12 continuous months of base pay and then the third highest 12 continuous months of base pay.
- D. Each of these three 12-month yearly units need not be contiguous to each other.
- E. The highest 3 years are then averaged and the retirement benefit is calculated on this averaged amount.
- F. No given month may be used more than once in this calculation.

[Source: Adopted by Resolution 6-20-2011; supersedes: #19]

10.3 EARLY RETIREMENT

- A. An eligible member who is vested with at least five (5) years of credited service may elect to retire and begin receiving benefits as early as age 55. The benefit amount is the amount that would have been received at age 62, or age 65, for employees hired after June 30, 2017, reduced by a percentage factor provided by the Retirement System's actuary.
- B. Former employees who were receiving disability retirement, but who are no longer disabled, and surviving spouses who are otherwise eligible to receive retirement benefits are also eligible to elect early retirement.
- C. The actuary selected by the Retirement Board pursuant to Section 1.4 of Chapter III of this Manual shall establish the percentage factors in the form of a table, with a factor for each month of early retirement prior to age 62, or age 65, for employees hired after June 30, 2017. The actuary shall calculate these factors based upon the assumption that the early retirement will be cost neutral to the Retirement System.
- D. The current early retirement reduction factor table will be adopted by the Retirement Board upon recommendation of the actuary and will be updated periodically as needed. The table is available from the County Clerk's Office.

E. The reduction factors are as follows for employees hired prior to June 30, 2017:

<u>Age</u>	<u>Percentage of Age 62 Benefit Payable</u>	<u>Age</u>	<u>Percentage of Age 62 Benefit Payable</u>
55	50.57%	59	74.02%
1 month	50.98%	1 month	74.66%
2 months	51.40%	2 months	75.30%
3 months	51.81%	3 months	75.94%
4 months	52.22%	4 months	76.58%
5 months	52.63%	5 months	77.22%
6 months	53.05%	6 months	77.86%
7 months	53.46%	7 months	78.49%
8 months	53.87%	8 months	79.13%
9 months	54.28%	9 months	79.77%
10 months	54.70%	10 months	80.41%
11 months	55.11%	11 months	81.05%
56	55.52%	60	81.69%
1 month	55.98%	1 month	82.41%
2 months	56.44%	2 months	83.13%
3 months	56.90%	3 months	83.85%
4 months	57.36%	4 months	84.56%
5 months	57.82%	5 months	85.28%
6 months	58.28%	6 months	86.00%
7 months	58.73%	7 months	86.72%
8 months	59.19%	8 months	87.44%
9 months	59.65%	9 months	88.16%
10 months	60.11%	10 months	88.87%
11 months	60.57%	11 months	89.59%
57	61.03%	61	90.31%
1 month	61.54%	1 month	91.12%
2 months	62.05%	2 months	91.93%
3 months	62.56%	3 months	92.73%
4 months	63.07%	4 months	93.54%
5 months	63.58%	5 months	94.35%
6 months	64.10%	6 months	95.16%
7 months	64.61%	7 months	95.96%
8 months	65.12%	8 months	96.77%
9 months	65.63%	9 months	97.58%
10 months	66.14%	10 months	98.39%
11 months	66.65%	11 months	99.19%
58	67.16%	62	100.00%

1 month	67.73%
2 months	68.30%
3 months	68.88%
4 months	69.45%
5 months	70.02%
6 months	70.59%
7 months	71.16%
8 months	71.73%
9 months	72.31%
10 months	72.88%
11 months	73.45%

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #19]

F. The reduction factors are as follows for employees hired after June 30, 2017:

<u>Age</u>	Percentage of Age 65 Benefit <u>Payable</u>	<u>Age</u>	Percentage of Age 65 Benefit <u>Payable</u>
55	39.63%	60	61.76%
1 month	39.93%	1 month	62.26%
2 months	40.23%	2 months	62.76%
3 months	40.52%	3 months	63.26%
4 months	40.82%	4 months	63.76%
5 months	41.12%	5 months	64.26%
6 months	41.42%	6 months	64.77%
7 months	41.71%	7 months	65.27%
8 months	42.01%	8 months	65.77%
9 months	42.31%	9 months	66.27%
10 months	42.61%	10 months	66.77%
11 months	42.90%	11 months	67.27%
56	43.20%	61	67.77%
1 month	43.53%	1 month	68.33%
2 months	43.86%	2 months	68.89%
3 months	44.19%	3 months	69.45%
4 months	44.52%	4 months	70.01%
5 months	44.85%	5 months	70.57%
6 months	45.18%	6 months	71.13%
7 months	45.50%	7 months	71.69%
8 months	45.83%	8 months	72.25%
9 months	46.16%	9 months	72.81%
10 months	46.49%	10 months	73.37%
11 months	46.82%	11 months	73.93%
57		62	74.49%

1 month	47.15%	1 month	75.12%
2 months	47.88%	2 months	75.74%
3 months	48.24%	3 months	76.37%
4 months	48.61%	4 months	77.00%
5 months	48.97%	5 months	77.62%
6 months	49.34%	6 months	78.25%
7 months	49.70%	7 months	78.88%
8 months	50.06%	8 months	79.50%
9 months	50.43%	9 months	80.13%
10 months	50.79%	10 months	80.76%
11 months	51.16%	11 months	81.38%
58	51.52%	63	82.01%
1 month	51.92%	1 month	82.72%
2 months	52.33%	2 months	83.42%
3 months	52.73%	3 months	84.13%
4 months	53.13%	4 months	84.83%
5 months	53.54%	5 months	85.54%
6 months	53.94%	6 months	86.24%
7 months	54.34%	7 months	86.95%
8 months	54.75%	8 months	87.65%
9 months	55.15%	9 months	88.36%
10 months	55.55%	10 months	89.06%
11 months	55.96%	11 months	89.77%
59	56.36%	64	90.47%
1 month	56.81%	1 month	91.26%
2 months	57.26%	2 months	92.06%
3 months	57.71%	3 months	92.85%
4 months	58.16%	4 months	93.65%
5 months	58.61%	5 months	94.44%
6 months	59.06%	6 months	95.24%
7 months	59.51%	7 months	96.03%
8 months	59.96%	8 months	96.82%
9 months	60.41%	9 months	97.62%
10 months	60.86%	10 months	98.41%
11 months	61.31%	11 months	99.21%
		65	100%

[Source: Adopted by Resolution 4-3-2017]

10.4 SURVIVING SPOUSE RETIREMENT BENEFITS

A. Beginning the month following a retiree's death, the surviving spouse beneficiary is entitled to receive the surviving spouse benefit. This benefit is an amount equal to sixty-six and two-thirds percent (66 2/3%) of the member's benefit for members who retired before November 1, 2000 or seventy percent (70%) of the member's benefit for any spouse who becomes eligible for surviving spouse benefits on or after November 1, 2000 or sixty-seven percent (67%) of the member's benefit if

the member was not vested as of June 30, 2010 or hired after June 30, 2010, payable for the remainder of the natural life of said surviving spouse. This benefit is provided only to the current spouse of said retiree at the date of his death. It is the responsibility of the surviving spouse to notify the County Clerk's Office of the retiree's death.

B. Regardless of age at time of death, if an employee has not retired but met the eligibility for the "Rule of 80", or "Rule of 90" the employee's surviving spouse will be eligible to receive the spouse benefit to which he or she would be entitled, provided the spouse makes timely application to the County Clerk's Office pursuant to Section 12 of this Chapter.

C. In case of the death of a vested member, any option for retirement benefits which were available to the deceased employee would be available to the surviving spouse; provided the spouse makes timely application to the County Clerk's Office pursuant to Section 12 of this Chapter.

D. All surviving spouse benefits will begin after the notification of the death and after the surviving spouse makes timely application pursuant to Section 12 of this Chapter. No retroactive benefits will be paid to any surviving spouse.

E. Surviving spouse will be determined pursuant to the provisions of Subsection 15.4 of this Chapter.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #19; Amended by Resolution 4-3-2017]

10.5 RETIREE DEATH BENEFITS

When a retiree dies, the deceased retiree's spouse, the retiree's beneficiary or the retiree's estate shall receive 100 percent (100%) of the retiree's benefit for the month in which the retiree died.

[Source: Adopted by Resolution 6-20-2011; supersedes: #19]

10.6 HEALTH INSURANCE BENEFITS

The Retirement System does not provide insurance benefits of any kind. Retirees and vested members may be eligible to elect health, dental and other insurance benefits through Tulsa County's Human Resources Department. If properly elected the premiums will be automatically deducted from the retiree's or surviving spouse's retirement benefit, when applicable.

[Source: Adopted by Resolution 6-20-2011; supersedes: #19]

SECTION 11 - DISABILITY RETIREMENT BENEFITS

11.1 QUALIFICATIONS FOR DISABILITY BENEFITS

Employees of Tulsa County who are members of the Retirement System who have worked a minimum of eight (8) years or more in accordance with the Retirement System's eligibility requirements and has become totally and permanently disabled as a result of such employment, as authorized under the statutes and set forth in Subsection 11.3 below, may elect a disability retirement. There is no minimum age requirement for disability retirement.

[Source: Adopted by Resolution 6-20-2011; supersedes: # 02, 15]

11.2 DISABILITY RETIREMENT BENEFIT CALCULATION

A. The disability retirement benefit, paid monthly to the retiree, is calculated using the employee's average of the three highest years of base payroll earnings as set forth in Section 10.2 above, multiplied by the appropriate percentage based on the number of credited years of service the employee has in the Retirement System, up to a maximum of forty percent (40%) of base pay, even though the employee has not reached the age of 62, or age 65 for employees hired after June 30, 2017.

B. The benefit percentages by years of credited service for disabled members who were retired or vested as of June 30, 2010, are as follows:

<u>Years of Credited Service</u>	<u>Benefit Percentage</u>
8	20%
9	22.5%
10	25%
11	28%
12	31%
13	34%
14	37%
15 or more	40%

C. The maximum percentage which may be applied for disabled members who were retired or vested as of June 30, 2010 is 40% with 15 or more years of credited years of service.

D. The benefit percentages by years of credited service for disabled members who were hired after June 30, 2010 or who were not vested as of June 30, 2010, are as follows:

<u>Years of Credited Service</u>	<u>Benefit Percentage</u>
8	16%
9	18%
10	20%
11	22%
12	24%
13	26%
14	28%
15	30%
16	34%
17	38%
18 or more	40%

E. The maximum percentage which may be applied for disabled members who were hired after June 30, 2010 or who were not vested as of June 30, 2010 is 40% with 18 or more years of credited years of service.

- F. Disability Retirement is not considered regular or normal retirement.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02, 15; Amended by Resolution 4-3-2017]

11.3 ESTABLISHING A WORK-RELATED, PERMANENT DISABILITY

A. A disabled employee must submit an application accompanied by a complete medical report on the status of the applicant's medical condition, in the form approved by the Retirement Board of the Retirement System.

B. The disability application must support the claim of a total and permanent disability resulting from the employee's performance of his work-related duty. The Human Resources Department will make an initial report including a determination of whether the disability is work-related. The Retirement Board will consider the report of the Human Resources Department as evidence in reaching its decision as to whether an employee's disability is work-related.

C. The application shall be accompanied by a written statement from the employee's supervisor classifying the condition and the cause.

D. The application shall also be accompanied by a written statement from a physician licensed to practice in the State of Oklahoma and selected by the applicant, at his expense, which shows that, in the opinion of said physician, such disability is total and permanent in its nature.

E. The Retirement Board may, if it so desires, appoint a physician of its own choosing to examine the employee and the employee shall consent to said examination as a condition of this application process. If after such examination, the said two (2) physicians were divided in their opinion, the Board of Trustees shall appoint a third physician to examine the employee and the employee shall consent to such an examination as a condition of this application process. The Retirement System shall be responsible for the costs of the second and third physician's examination.

F. Ultimately, the question of eligibility by reason of total permanent disability resulting from the performance of work-related duty shall be determined by the Retirement Board after taking into consideration the written opinions of all examining physicians. The Retirement Board's determination shall be final.

G. The Retirement Board has the complete discretion to waive the provisions of this Section by proper motion, duly carried, on a case by case basis as the Board deems fit.

H. The provisions of this Section shall not be construed to require physical examinations at each or any annual review of disability retirees by the Retirement Board.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02, 15]

11.4 RECEIPT AND CONTINUATION OF DISABILITY BENEFITS:

A. Upon a determination by the Retirement Board that a County employee, participating in the Retirement System, is eligible to receive disability retirement benefits, the Retirement Board shall not act on any subsequent application by said employee for additional benefits from the Retirement System, except as provided in subsection C. below. No employee of Tulsa County, participating in the Retirement System, shall be eligible to participate in more than one (1) retirement program with said Retirement System.

B. Upon a determination by the Retirement Board that the employee is no longer totally and permanently disabled from such disability, the Retirement Board shall terminate the payment of disability retirement benefits. If disability retirement benefits are terminated due to a cessation of disability or recovery, the retirement benefit will resume when the retiree reaches the age of 62, or age

65 for employees hired after June 30, 2017, at the same monetary level as the terminated disability benefit. The employee may elect to draw a retirement benefit as early as age 55 at the same monetary level as the terminated disability benefit, reduced by using the percentage provided by the actuary under the early retirement provisions set forth in Section 10.3 of this Chapter.

C. If the disabled employee recovers, the disability benefit is terminated and if the employee returns to work for Tulsa County, any additional credited service earned working will be added to the employee's prior service credit already earned. Upon the employee's subsequent normal or regular retirement, the employee will receive the full retirement benefit to which he is entitled by his age and service credits.

D. When a retiree receiving disability benefits reaches the age of 62, or age 65, for employees hired after June 30, 2017, the annual medical evaluation will no longer be required.

E. While an employee is receiving a disability retirement basis, the benefit is frozen; however, the disability retiree is eligible to receive Board authorized increases, if any are granted.

F. The maximum the disabled employee may receive, as a retirement benefit is the amount he receives at the time of his disability retirement, plus any applicable Board authorized increases. There will be no increase at the age of 62 years, or age 65, for employees hired after June 30, 2017.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02, 15; Amended by Resolution 4-3-2017]

11.5 ANNUAL REVIEW OF DISABILITY

A. A review of all disability retirees is conducted by the Retirement Board each August and every disability retiree must submit medical proof of continued disability at that time.

B. This proof must be submitted by a licensed physician approved by the Retirement Board and the cost of obtaining such medical report is to be borne by the retiree.

C. Based upon this annual review of the employee's disability, if it is determined that the employee remains totally and permanently disabled, the Retirement Board shall reaffirm, without change for another year, the disability retirement previously granted.

D. After the disabled retiree reaches the age of 62 years, or age 65 for employees hired after June 30, 2017, there is no longer the requirement for submission of medical proof of continued disability.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02, 15 Amended by Resolution 4-3-2017]

SECTION 12 – RETIREMENT PROCEDURE

12.1 APPLYING FOR RETIREMENT

A. Written application, on the appropriate form approved by the Retirement Board for each type of retirement, is to be submitted to and processed through the County Clerk's Office. The application for retirement must be submitted at least 15 days prior to the effective date of retirement to allow ample time for the processing of all documents, unless waived by the Retirement Board for good cause shown. In any event, the retirement will not be effective until an appropriate written application is submitted and no retroactive benefits can be paid.

B. The retiring employee shall be required to provide proof of birth by submitting a birth document, a social security card, and voided check. If the member is married, he or she will be required to provide a marriage license or proof of common law marriage and the spouse's birth certificate and social security card. Proof of a valid common-law marriage requires a court order deeming said common-law marriage to be in effect and the date upon which the common-law marriage was established.

C. Once an employee notifies the Retirement System of the intent to retire, and said application has been approved, any funds paid into the Retirement System by said employee may not be withdrawn or removed, except as provided in Section 15 of this Chapter in the event of death of a retiree and/or surviving spouse prior to receipt of all of the retiree's contributed funds in the Retirement System.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02]

12.2 IRREVOCABLE ELECTION TO RETIRE

Once the Retirement Board has approved the retirement application, the election becomes irrevocable. In no event will a retiree be allowed to revoke his retirement or to make changes to the type of benefit or the effective date of retirement after the issuance of any retirement benefit, whether by direct deposit or by check.

[Source: Adopted by Resolution 6-20-2011]

12.3 WAIVER OF RETIREMENT BENEFITS

If an employee has withdrawn his or her contributions, said employee will be considered to have completely waived any right he or she might have to any retirement benefits. After the employee elects to receive retirement benefits, he or she no longer has the right to withdraw his contributions.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02]

12.4 PAYMENT OF RETIREMENT BENEFITS

All retirements are effective on the first day of the selected month. Retirement benefits are paid on the last working day of the month, except that December benefits are paid the last working day before the Christmas holiday.

[Source: Adopted by Resolution 6-20-2011]

12.5 MANNER OF PAYMENT

A. For members retiring prior to Jan. 1, 2010, retirement benefits will be paid by mailing the benefit check to the retiree's last known address unless the retiree elects to pick up the check each month or elects direct deposit. Checks are mailed on the next to the last working day of the month.

B. A retiree who retired prior to Jan. 1, 2010 may elect to personally pick up the retirement check each month. The benefit check will be available to be picked up at the Tulsa County Clerk's Office on the last working day of the month. The check will only be released to the retiree upon presentation of appropriate identification.

C. A retiree may elect to have the benefit check deposited directly to the retiree's bank, credit union or other financial institution. The retiree must file all of the appropriate documents and forms at least one month prior to the desired deposit date. Direct deposits are made on the last working day of the month.

D. Effective Jan. 1, 2010, all new retirees and surviving spouses shall be required to receive direct deposit of the monthly benefit payments via ACH to a banking or financial institution physically located and operating in the United States of America and participating in the NACHA ACH network, designated by the retiree or surviving spouse. The retiree, surviving spouse or the receiving financial institution must complete the form prescribed for this purpose by the County Clerk. In the event the direct deposit or electronic fund transfer creates an undue hardship on the retiree or surviving spouse, the retiree or surviving spouse may make application to the County Clerk to request a waiver of this requirement. The waiver will be granted only upon good cause shown when it is determined to be in the best interest of the member or annuitant. The County Clerk, at his or her sole discretion, may also waive this requirement when it is necessary in the best interest of the Retirement System to do so.

E. A retired member or surviving spouse who is receiving benefits from the System may choose to make a donation to a charitable organization or elect certain eligible products, such as health insurance that will be automatically deducted from his or her monthly benefit, provided the benefit amount is sufficient to allow the entire deduction considering any previously existing deductions. No partial deductions are permitted. The allowance of benefit deductions does not under any circumstances constitute an endorsement for any particular product or organization.

[Source: Adopted by Resolution 6-20-2011; supersedes: #19; Source: Adopted by Resolution 06-29-2015]

SECTION 13 - RETURN TO WORK AFTER RETIREMENT

13.1 CEASING WORK UPON RETIREMENT

To be eligible for retirement benefits, the employee's service with Tulsa County must have ceased. Employees may receive only one check from the County; therefore, an employee who is receiving a retirement benefit check from the Retirement System is ineligible to work and receive an additional payroll check from the County, except as otherwise provided in this Section.

[Source: Adopted by Resolution 6-20-2011; supersedes: #02]

13.2 SUSPENSION OF BENEFITS

A. A retired member who is receiving a retirement benefit check from the Retirement System may return to work as a full-time County employee after the first full month of retirement, but during his time of re-employment his retirement benefits will be suspended and not paid to him. Such a re-employed retiree shall again become a participating member of the Retirement System and be eligible for additional service credit. The retirement benefit will be recalculated upon application for the second retirement.

B. A retired member who is receiving retirement benefits may return to work for the County and continue receiving his or her retirement benefit if the member is employed as a part-time, as defined in the Tulsa County employee handbook, employee after the first full month of retirement or as a contract worker, pursuant to the Internal Revenue Service rules defining a Contract worker. Such a retired member is not eligible to earn service credit in the Retirement System so the retired member will receive no further service credit while being employed as a part-time employee or contract worker.

[Source: 19 O.S. § 956; Adopted by Resolution 6-20-2011; supersedes: #02 & #04; Source: Adopted by Resolution 06-29-2015]

SECTION 14 – ATTACHMENT OF RETIREMENT BENEFITS

14.1 ATTACHMENT OF RETIREMENT BENEFITS

Except as otherwise provided in this Section and except for child support or IRS levies, sums of money due or to become due to any employee or retired employee shall not be liable to attachment, garnishment, levy, or seizure in any manner under any legal or equitable process, whether such sums remain in the hands of the treasurer of the retirement system or of any official or agent of the board of trustees of any retirement system, or are in the course of transmission to the employee or retired employee entitled thereto, but shall inure wholly to the benefit of such employee or retired employee.

[Source: 19 O.S. § 959; Adopted by Resolution 6-20-2011; supersedes: #10]

14.2 QUALIFIED DOMESTIC RELATIONS ORDERS

A. The provisions of Section 14.1 of this Chapter shall not apply to qualified domestic relations order as provided in this Section.

B. The term "qualified domestic relations order" or QDRO, means an order issued by a district court of this state, pursuant to the domestic relations laws of the State of Oklahoma, which relates to the provision of marital property rights to a spouse or former spouse of a member of the Retirement System, or to the provision of support for a minor child or children, and which creates or recognizes the existence of the right of an alternate payee, or assigns to an alternate payee the right, to receive a portion of the benefits payable with respect to a member of the Retirement System.

C. For purposes of the payment of marital property, to qualify as an alternate payee, a spouse or former spouse must have been married to the related member for a period of not less than thirty (30) continuous months immediately preceding the commencement of the proceedings from which the QDRO issues.

D. A QDRO is valid and binding on the Retirement Board and the related member only if it meets all of the requirements of this Section.

E. The QDRO shall clearly specify:

- (1) the name and last-known mailing address, if any, of the member and the name and mailing address of the alternate payee covered by the order;
- (2) the amount or percentage of the member's benefits to be paid by the retirement system to the alternate payee;
- (3) the number of payments or period to which such order applies;
- (4) the characterization of the benefit as to marital property rights or child support; and
- (5) the plan to which such order applies.

F. A QDRO meets the requirements of this Section if such order:

- (1) does not require the retirement system to provide any type or form of benefit, or any option not otherwise provided under state law as relates to the retirement system;
- (2) does not require the retirement system to provide increased benefits; and
- (3) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a QDRO or an order recognized by the retirement plan as a valid order prior to the effective date of this section.

G. A QDRO shall not require payment of benefits to an alternate payee prior to the actual retirement date or withdrawal of the related member.

H. The obligation of the retirement system to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member.

I. This Section shall not be subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C.A., Section 1001 et seq., as amended from time to time, or rules promulgated thereunder, and court cases interpreting said act.

J. The Retirement Board of Trustees may adopt such provisions as are necessary to implement the provisions of this subsection.

K. An alternate payee who has acquired beneficiary rights pursuant to a valid QDRO shall fully comply with all provisions of the requirements imposed by the Retirement Board in order to continue receiving benefits.

[Source: 19 O.S. § 959; Adopted by Resolution 6-20-2011; supersedes: #10]

SECTION 15 – BENEFICIARIES AND DEATH BENEFITS

15.1 RETIREE DEATH BENEFITS

When a retiree dies, one hundred percent (100%) of the retiree's benefit is payable for the month in which he or she died.

[Source: Adopted by Resolution 6-20-2011; supersedes: #19]

15.2 BENEFICIARIES OF VESTED OR RETIRED DECEASED EMPLOYEES

A. The obligation of the Retirement System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member as provided in Section 14 of this Chapter.

B. Only a surviving spouse is eligible to receive a percent of the monthly retirement benefit of a vested, deceased member. The surviving spouse shall receive an amount equal to sixty-six and two-thirds percent (66 2/3%) of the member's benefit for members who retired before November 1, 2000; or seventy percent (70%) of the member's benefit for any spouse who becomes eligible for surviving spouse benefits on or after November 1, 2000; or sixty-seven percent (67%) of the member's benefit if the member was not vested as of June 30, 2010 or hired after June 30, 2010, for the remainder of their natural life.

C. The spouse of a vested or retired deceased employee may alternatively elect to receive 100% of any remaining balance that the employee contributed to the Retirement System, without interest, upon written application to the Retirement Board.

D. If the spouse predeceases the employee, upon written application to the Retirement Board, any remaining balance that the employee contributed to the Retirement System shall be paid to the beneficiaries named on the Beneficiary Card filed in the County Clerk's Office. If there are no surviving named beneficiaries, upon written application to the Retirement Board by a representative of the employee's estate, any remaining balance that the employee contributed to the Retirement System shall be paid to the employee's estate.

[Source: 19 O.S. §§ 956, 959; Adopted by Resolution 6-20-2011; supersedes: #09]

15.3 BENEFICIARIES OF NON-VESTED, DECEASED EMPLOYEES:

A. Unless the employee specifically indicates beneficiaries other than the spouse on the Beneficiary Card filed in the County Clerk's Office, the surviving spouse of a non-vested, deceased employee shall be paid 100% of the employee's contribution to the Retirement System, without interest, upon making written application to the Retirement Board.

B. The employee may name his estate, a charity or any person on the Beneficiary Card filed in the County Clerk's Office. The employee may also divide the employee contributions between such beneficiaries by designating on the Beneficiary Card the percentage each is to receive.

C. If the spouse, or any of the beneficiaries designated on the Beneficiary Card, predeceases the employee and the employee does not update the Beneficiary Card before he dies, the deceased beneficiary's portion shall be divided equally between the surviving beneficiaries upon proof of the deceased beneficiary's death.

D. If there are no surviving named beneficiaries, payment of any contribution due shall be paid to the employee's estate, upon written application of a representative of the estate to the Retirement Board.

[Source: Adopted by Resolution 6-20-2011; supersedes: #09]

15.4 DEFINITION OF SPOUSE

A. Spouse shall be interpreted to be a person with whom the Retirement System member has entered into a valid ceremonial marriage, as recognized by the State of Oklahoma, complete with license and subsequent registration of said marriage OR a person who has established a valid common-law marriage with the Retirement System member, and said common-law marriage is evidenced by a court order deeming said common-law marriage to be in effect and the date upon which the common-law marriage was established.

B. A surviving spouse shall be deemed to be the spouse as defined in subsection A. above, who, at the time of the death of the Retirement System member, was married to the deceased retiree, or the deceased employee who was eligible for retirement. There is no specific time requirement for the length of the marriage to be deemed a surviving spouse. A marriage of any length meets this requirement.

C. If a valid marriage is established, and the deceased employee is vested and entitled to receive retirement benefits, his surviving spouse shall be entitled by law to the surviving spouse benefits.

[Source: Adopted by Resolution 6-20-2011; supersedes: #09]

SECTION 16 – FORFEITURE OF BENEFITS

16.1 SUSPENSION FORFEITURE OF POSITION

A. Any elected or appointed Tulsa County officer or employee who, during the term for which he or she was elected or appointed, is, or has been, found guilty by a trial court of a felony in a state or federal court of competent jurisdiction shall be automatically suspended from the office or employment. Credited service in the Retirement System shall not accrue during such period of suspension.

B. In the event any elected or appointed Tulsa County officer or employee who, during the term for which he or she was elected or appointed, pleads guilty or nolo contendere to a felony or any offense involving a violation of his or her official oath in a state or federal court of competent jurisdiction, he or she shall, immediately upon the entry of the plea, forfeit the office or employment.

[Source: 51 O.S. §24.1; Adopted by Resolution 6-20-2011]

16.2 FORFEITURE UPON CONVICTION OF FELONY

A. Any such officer or employee upon final conviction of, or pleading guilty or nolo contendere to, a felony in a state or federal court of competent jurisdiction shall vacate such office or employment and if such felony is for bribery, corruption, forgery or perjury or any other crime related to the duties of his or her office or employment, or related to campaign contributions or campaign financing for that or any other office, shall forfeit all benefits of the office or employment, including, but not limited to, retirement benefits provided by law.

B. The forfeiture of retirement benefits shall not occur if any such officer or employee 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 officer's or employee's contributions to the retirement system or retirement benefits that are vested on the effective date of this act.

C. The forfeiture of retirement benefits as provided by this Section shall also apply to any such officer or employee who, after leaving the office or 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 office or employment, where the felony is for bribery, corruption, forgery or perjury or any other crime related to the duties of his or her office or employment, or related to campaign contributions or campaign financing for that or any other office.

D. Any claims for payment of retirement benefits to any such officer or employee suspended from or forfeiting his or her office or employment shall be rejected by the Retirement Board.

E. 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 officer or employee may appeal.

[Source: 51 O.S. §24.1; Adopted by Resolution 6-20-2011]

16.3 NOTIFICATION OF FORFEITURE

A. The attorney responsible for prosecuting such elected or appointed state or county officers or employees shall notify the Retirement System of the forfeiture of such officer's or employee's retirement benefits.

B. Upon receipt of the notice of forfeiture, the Retirement System shall immediately suspend all benefits of the officer or employee, and notify the officer or employee of his or her right to a hearing to review whether the conviction or plea qualifies for forfeiture of benefits under this section.

C. If the conviction or plea occurs in federal court or the notice of forfeiture is not forthcoming from the State prosecutor, the Retirement 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 officer or employee, and notify the officer or employee of his or her right to a hearing to review whether the conviction or plea qualifies for forfeiture of benefits under this section.

[Source: 51 O.S. §24.1; Adopted by Resolution 6-20-2011]

SECTION 17 – COMPLIANCE WITH FEDERAL LAW

17.1 DEFINITIONS

- A. All references to the Internal Revenue Code mean the Internal Revenue Code of 1986, as amended.
- B. Normal retirement age is the date a member attains age sixty-two (62) and has served for a period of at least five (5) years with Tulsa County.
- C. The plan year is the fiscal year commencing July 1.
- D. For 415 testing purposes, the limitation year is the calendar year.

[Source: Adopted by Resolution 11-05-2012]

17.2 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(2) FOR EXCLUSIVE BENEFIT AND NONDIVERSION OF TRUST FUNDS

- A. The assets of the Plan shall never inure to the benefit of an employer and shall be held for the exclusive purposes of providing benefits to members and their beneficiaries and defraying reasonable expenses of administering the Plan.
- B. The trust fund must not revert, and no contributions shall be permitted to be returned, to the employers, except due to a mistake of fact as permitted by Revenue Ruling 91-4.

[Source: Adopted by Resolution 11-05-2012]

17.3 COMPLIANCE WITH INTERNAL REVENUE CODE SECTIONS 401(a)(7) AND 401(a)(8) FOR VESTING AND FORFEITURES

- A. Notwithstanding any other provision of the Plan, a member shall be one hundred percent (100%) vested in his or her regular retirement benefit upon attaining normal retirement age.
- B. A Plan member shall be one hundred percent (100%) vested in his or her accumulated contributions at all times.
- C. In the event of a full or partial termination of, or a complete discontinuance of employer contributions to, the Plan, the accrued benefits of the affected members under the Plan shall be 100% vested and nonforfeitable to the extent funded and to the extent required by federal law.
- D. In conformity with Internal Revenue Code Section 401(a)(8), any forfeitures of benefits by members or former members of the Plan will not be used to pay benefit increases. However, such forfeitures shall be used to reduce employer contributions.

[Source: Adopted by Resolution 11-05-2012]

17.4 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(9) FOR REQUIRED MINIMUM DISTRIBUTIONS

The Retirement System will pay all benefits in accordance with a good faith interpretation of the requirements of Internal Revenue Code Section 401(a)(9) and the regulations in effect under that section, as applicable to a governmental plan within the meaning of Internal Revenue Code Section 414(d). The Retirement System is subject to the following provisions:

- A. Distribution of a member's benefit must begin by the required beginning date, which is the later of the April 1 following the calendar year in which the member attains age 70 1/2 or April 1 of the year following the calendar year in which the member terminates. If a member fails to apply for retirement benefits by the later of either of those dates, the Retirement Board shall begin distribution of the monthly benefit as required by this Subsection in the form provided in Subsection 10.1.

B. The member's entire interest must be distributed over the member's life or the lives of the member and a designated beneficiary, or over a period not extending beyond the life expectancy of the member or of the member and a designated beneficiary.

C. The Retirement System pursuant to a qualified domestic relations order may establish separate benefits for a member and nonmember.

D. If a member dies after the required distribution of benefits has begun, the remaining portion of the member's interest must be distributed at least as rapidly as under the method of distribution before the member's death.

E. If a member dies before required distribution of the member's benefits has begun, the member's entire interest must be distributed within five (5) years of his death, unless it is to be distributed in accordance with the following rule:

(1) If the member's surviving spouse is the sole designated beneficiary, the member's remaining interest in the Plan is distributed or begins to be distributed by December 31 of the calendar year immediately following the calendar year in which the member died or by December 31 of the calendar year in which the member would have attained age 70 1/2, if later, and if the surviving spouse dies before the distribution to the surviving spouse begins, this Subsection shall be applied as if the surviving spouse were the Plan member.

F. The death and disability benefits provided by the Retirement System are limited by the incidental benefit rule set forth in Internal Revenue Code Section 401(a)(9)(G) and Treasury Regulation Section 1.401-1(b)(1)(i) or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed twenty-five percent (25%) of the cost for all of the members' benefits received from the Retirement System.

G. Notwithstanding the other provisions of this rule or the provisions of the Treasury Regulations, benefit options may continue so long as the option satisfies Internal Revenue Code Section 401(a)(9) based on a reasonable and good faith interpretation of that section.

[Source: Adopted by Resolution 11-05-2012]

17.5 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(17) FOR LIMITATION ON COMPENSATION

A. Effective with respect to plan years beginning on and after July 1, 1996, and before July 1, 2002, the annual compensation of a Plan member which exceeds \$150,000 (as adjusted for cost-of-living increases under Internal Revenue Code Section 401(a)(17)(B)) shall be disregarded for purposes of computing employee and employer contributions to or benefits due from the Retirement System.

B. Effective with respect to plan years beginning on and after July 1, 2002, the annual compensation of a Plan member which exceeds \$200,000 (as adjusted for cost-of-living increases in accordance with Internal Revenue Code Section 401(a)(17)(B)) may not be taken into account in determining benefits or contributions due for any plan year. Annual compensation means compensation during the plan year or such other consecutive twelve (12) month period over which compensation is otherwise determined under the plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than twelve (12) months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is twelve (12). If the compensation for any prior determination period is taken into account in determining a Plan member's contributions or benefits for the current plan

year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period.

C. As used in this paragraph, the term "eligible member" means a person who first became a member of the Plan prior to the plan year beginning after December 31, 1995. Pursuant to section 13212(d)(3)(A) of OBRA '93, and the regulations issued under that section, eligible members are not subject to the limits of Internal Revenue Code Section 401(a)(17) and this Subsection 17.5, and the annual compensation limit shall not apply to the extent that the application of the limit would reduce the amount of compensation that is allowed to be taken into account under the Plan below the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993. The limits referenced in subsections (A) and (B) above apply only to years beginning after December 31, 1995, and only to individuals who first become Plan members in plan years beginning on and after July 1, 1996.

[Source: Adopted by Resolution 11-05-2012]

17.6 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(25) FOR ACTUARIAL ASSUMPTIONS

Effective as of July 1, 1989, the Retirement Board will determine the amount of any benefit that is determined on the basis of actuarial assumptions, using assumptions adopted by the Retirement Board and set forth in Chapter IV to the Policy and Procedural Manual; such benefits will not be subject to employer discretion. The Policies and Procedures adopted for this purpose are hereby incorporated as part of the Plan document.

[Source: Adopted by Resolution 11-05-2012]

17.7 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(31) FOR ELIGIBLE ROLLOVER DISTRIBUTIONS

A. For purposes of compliance with Internal Revenue Code Section 401(a)(31), this Subsection applies notwithstanding any contrary provision or retirement law that would otherwise limit a distributee's election to make a rollover. A distributee may elect, at the time and in the manner prescribed by the Retirement Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

B. "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or the life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Internal Revenue Code Section 401(a)(9); the portion of any distribution that is not includible in gross income; and any other distribution which the Internal Revenue Service does not consider eligible for rollover treatment, such as certain corrective distributions necessary to comply with the provisions of Internal Revenue Code Section 415 or any distribution that is reasonably expected to total less than \$200 during the year. Effective January 1, 2002, a portion of a distribution will not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only (i) to an individual retirement account or annuity described in Internal Revenue Code Section 408(a) or (b) or to a qualified defined contribution plan described in Internal Revenue Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; (ii) on or after

January 1, 2007, to a qualified defined benefit plan described in Internal Revenue Code Section 401(a) or to an annuity contract described in Internal Revenue Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible; or (iii) on or after January 1, 2008, to a Roth IRA described in Internal Revenue Code Section 408A. Effective January 1, 2002, the definition of eligible rollover distribution also includes a distribution to a surviving spouse, or to a spouse or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Internal Revenue Code Section 414(p).

C. "Eligible retirement plan" means any of the following that accepts the distributee's eligible rollover distribution:

- (1) an individual retirement account described in Internal Revenue Code Section 408(a),
- (2) an individual retirement annuity described in Internal Revenue Code Section 408(b),
- (3) an annuity plan described in Internal Revenue Code Section 403(a),
- (4) a qualified trust described in Internal Revenue Code Section 401(a),
- (5) effective January 1, 2002, an annuity contract described in Internal Revenue Code Section 403(b),
- (6) effective January 1, 2002, a plan eligible under Internal Revenue Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state that agrees to separately account for amounts transferred into that plan from the Retirement System, or
- (7) effective January 1, 2008, a Roth IRA described in Internal Revenue Code Section 408A.

D. "Distributee" means an employee or former employee. It also includes the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Internal Revenue Code Section 414(p). Effective January 1, 2007 a distributee further includes a nonspouse beneficiary who is a designated beneficiary as defined by Internal Revenue Code Section 401(a)(9)(E). However, a nonspouse beneficiary may only make a direct rollover to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an "inherited" individual retirement account or annuity.

E. "Direct rollover" means a payment by the plan to the eligible retirement plan specified by the distributee.

[Source: Adopted by Resolution 11-05-2012]

17.8 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(31)(B)

If, on or after March 28, 2005, the Retirement System provides for mandatory distribution of eligible rollover distributions, as defined in Subsection 17.7(A), with a present value greater than One Thousand Dollars (\$1,000), and if a member does not elect to have such distribution paid directly to an eligible retirement plan specified by member in a direct rollover or to receive the distribution directly, then the Retirement System will pay the distribution in a direct rollover to an individual retirement plan designated by the Retirement Board in accordance with Internal Revenue Code Section 401(a)(31)(B) and IRS Notice 2005-5.

[Source: Adopted by Resolution 11-05-2012]

17.9 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 401(a)(37) AND THE HEART ACT

A. Effective with respect to deaths occurring on or after January 1, 2007, while a member is performing qualified military service (as defined in Chapter 43 of Title 38, United States Code), to the extent required by Internal Revenue Code Section 401(a)(37), survivors of a member in a State or local retirement or pension system, are entitled to any additional benefits that the system would provide if the member had resumed employment and then died, such as accelerated vesting or survivor benefits that are contingent on the member's death while employed. In any event, a deceased member's period of qualified military service must be counted for vesting purposes.

B. Effective with respect to deaths and/or disabilities occurring on or after January 1, 2007, while a member is performing qualified military service (as defined in Chapter 43 of Title 38, United States Code), to the extent permitted by Internal Revenue Code Section 414(u)(8), for benefit accrual purposes and in the case of death, for vesting purposes, the member will be treated as having earned years of service for the period of qualified military service, having returned to employment on the day before the death or disability, and then having terminated on the date of death or disability. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

C. Beginning January 1, 2009, to the extent required by Internal Revenue Code Section 414(u)(12), an individual receiving differential wage payments (as defined under Internal Revenue Code Section 3401(h)(2)) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under Internal Revenue Code Section 415(c). This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

[Source: Adopted by Resolution 11-05-2012]

17.10 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 414(p) FOR QUALIFIED DOMESTIC RELATIONS ORDERS

If benefits are payable pursuant to a qualified domestic relations order under Subsection 14.2, then the applicable requirements of Internal Revenue Code Section 414(p) will be followed by the Retirement System.

[Source: Adopted by Resolution 11-05-2012]

17.11 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 415 FOR LIMITATION ON BENEFITS AND CONTRIBUTIONS

A. Notwithstanding any other provisions of the Retirement System to the contrary, the member contributions paid to and retirement benefits paid from the Plan shall be limited to such extent as may be necessary to conform to the requirements of Internal Revenue Code Section 415 for a qualified pension plan.

B. Participation in Other Qualified Plans: Aggregation of Limits.

(1) The 415(b) limits with respect to any member who at any time has been a member in any other defined benefit plan as defined in Internal Revenue Code Section 414(j) maintained by the member's employer in this Plan shall apply as if the total benefits payable under all such defined benefit plans in which the member has been a member were payable from one (1) plan.

(2) The 415(c) limits with respect to any member who at any time has been a member in any other defined contribution plan as defined in Internal Revenue Code Section 414(i)

maintained by the member's employer in this Plan shall apply as if the total annual additions under all such defined contribution plans in which the member has been a member were payable from one (1) plan.

C. Basic 415(b) Limitation.

(1) Before January 1, 1995, a member may not receive an annual benefit that exceeds the limits specified in Internal Revenue Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a member may not receive an annual benefit that exceeds the dollar amount specified in Internal Revenue Code Section 415(b)(1)(A), subject to the applicable adjustments in Internal Revenue Code Section 415(b) and subject to any additional limits that may be specified in the Retirement System. In no event shall a member's annual benefit payable under the Plan in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Internal Revenue Code Section 415(d) and the regulations thereunder.

(2) For purposes of Internal Revenue Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Internal Revenue Code Section 415(n)) and to rollover contributions (as defined in Internal Revenue Code Section 415(b)(2)(A)). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

D. Adjustments to Basic 415(b) Limitation for Form of Benefit.

If the benefit under the Plan is other than the form specified in Subsection (C)(2), then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations.

(1) If the form of benefit without regard to the automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Internal Revenue Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount [determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)] that takes into account the additional benefits under the form of benefit as follows:

(2) For a benefit paid in a form to which Internal Revenue Code Section 417(e)(3) does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of:

(a) The annual amount of the straight life annuity (if any) payable to the member under the plan commencing at the same annuity starting date as the form of benefit to the member, or

(b) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the member, computed using a five percent (5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation Section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Rulings 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Internal Revenue Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Internal Revenue Code Section 417(e)(3)(B)); or

- (3) For a benefit paid in a form to which Internal Revenue Code Section 417(e)(3) applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit that is the greatest of:
- (a) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the Plan for actuarial experience;
 - (b) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a five and five-tenths percent (5.5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Internal Revenue Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Internal Revenue Code Section 417(e)(3)(B)); or
 - (c) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation Section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the plan year with a one-year stabilization period)) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Internal Revenue Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Internal Revenue Code Section 417(e)(3)(B)), divided by 1.05.
- (4) The actuary may adjust the 415(b) limit at the annuity starting date in accordance with the above subsections (2) and (3).

E. Benefits For Which No Adjustment of the 415(b) Limit is Required.

For purposes of this Subsection, the following benefits shall not be taken into account in adjusting these limits:

- (1) Any ancillary benefit which is not directly related to retirement income benefits;
- (2) That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity;
- (3) Any other benefit not required under Internal Revenue Code Section 415(b)(2) and Treasury Regulations thereunder to be taken into account for purposes of the limitation of Internal Revenue Code Section 415(b)(1).

F. Other Adjustments in 415(b) Limitation.

- (1) In the event the member's retirement benefits become payable before age sixty-two (62), the limit prescribed by this Subsection shall be reduced in accordance with

Treasury Regulations pursuant to the provisions of Internal Revenue Code Section 415(b), so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar (\$160,000) (as adjusted) annual benefit beginning at age sixty-two (62).

- (2) In the event the member's benefit is based on at least fifteen (15) years of service as a full-time employee of any police or fire department or on fifteen (15) years of military service, the adjustments provided for in (1) above shall not apply.
- (3) The reductions provided for in (1) above shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

G. **Less than Ten (10) Years of Participation or Service Adjustment for 415(b) Limitations.** The maximum retirement benefits payable to any member who has completed less than ten (10) years of service shall be the amount determined under subsection (C), as adjusted under subsection (D) and/or (F), multiplied by a fraction, the numerator of which is the number of the member's years of participation and the denominator of which is ten (10). The limit under subsection (H) (concerning the \$10,000 limit) shall be similarly reduced for any member who has accrued less than ten (10) years of service, except the fraction shall be determined with respect to years of service instead of years of participation. The reduction provided by this Subsection cannot reduce the maximum benefit below ten percent (10%) of the limit determined without regard to this Subsection. The reduction provided for in this Subsection shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

H. **Ten Thousand Dollar (\$10,000) Limit.** Notwithstanding the foregoing, the retirement benefit payable with respect to a member shall be deemed not to exceed the 415 limit if the benefits payable, with respect to such member under this Plan and under all other qualified defined benefit pension plans to which the member's employer contributes, do not exceed ten thousand dollars (\$10,000) for the applicable limitation year and for any prior limitation year and the employer has not any time maintained a qualified defined contribution plan in which the member participated.

I. **Section 415(c) Limitation on Contributions and Other Additions.** After-tax member contributions or other annual additions with respect to a member may not exceed the lesser of forty thousand dollars (\$40,000) (as adjusted pursuant to Internal Revenue Code Section 415(d)) or one hundred percent (100%) of the member's compensation.

- (1) Annual additions are defined to mean the sum (for any year) of employer contributions to a defined contribution plan, member contributions, and forfeitures credited to a member's individual account. Member contributions are determined without regard to rollover contributions and to picked-up employee contributions that are paid to a defined benefit plan.
- (2) For purposes of applying Internal Revenue Code Section 415(c) and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulation section 1.415(c)-2, or successor regulation; provided, however, that member contributions picked up under Internal Revenue Code Section 414(h) shall not be treated as compensation.
- (3) Compensation will be defined as wages within the meaning of Internal Revenue Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Internal Revenue Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Internal Revenue Code Section 3401(a) that limit the remuneration included in wages based on the nature or location

of the employment or the services performed (such as the exception for agricultural labor in Internal Revenue Code Section 3401(a)(2)).

However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Internal Revenue Code Section 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning after December 31, 2000, compensation shall also include any elective amounts that are not includible in the gross income of the member by reason of Internal Revenue Code Section 132(f)(4).

For limitation years beginning on and after January 1, 2009, compensation for the limitation year shall also include compensation paid by the later of 2½ months after a member's severance from employment or the end of the limitation year that includes the date of the member's severance from employment if:

the payment is regular compensation for services during the member's regular working hours, or compensation for services outside the member's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the member while the member continued in employment with the employer; or

the payment is for unused accrued bona fide sick, vacation or other leave that the member would have been able to use if employment had continued; or

payments pursuant to a nonqualified unfunded deferred compensation plan, but only if the payments would have been paid to the member at the same time if the member had continued employment with the employer and only to the extent that the payment is includible in the member's gross income.

Back pay, within the meaning of Treasury Regulation section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

A. Any payments not described in paragraph (b) above are not considered compensation if paid after severance from employment, even if they are paid within 2½ months following severance from employment, except for payments to the individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Internal Revenue Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service.

B. An employee who is in qualified military service (within the meaning of Internal Revenue Code Section 414(u)(1)) shall be treated as receiving compensation from the employer during such period of qualified military service equal to (I) the compensation the employee would have received during such period if the employee were not in qualified military service, determined based on the rate of pay the employee would have received from the employer but for the absence during the period of qualified military service, or (II) if the compensation the employee would have received during such period was not reasonably certain, the employee's average compensation from the employer during the twelve (12) month period immediately preceding the qualified military service (or, if shorter, the period of employment immediately preceding the qualified military service).

(4) If the annual additions for any member for a plan year exceed the limitation under Internal Revenue Code Section 415(c), the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).

(5) For limitation years beginning on or after January 1, 2009, a member's compensation for purposes of Subsection (I) shall not exceed the annual limit under Internal Revenue Code Section 401(a)(17).

J. Modification of Contributions for 415(c) and 415(n) Purposes. Notwithstanding any other provision of law to the contrary, the Retirement System may modify a request by a member to make a contribution to the Retirement System if the amount of the contribution would exceed the limits provided in Internal Revenue Code Section 415 by using the following methods:

- (1) If the law requires a lump sum payment for the purchase of service credit, the Retirement System may establish a periodic payment plan for the member to avoid a contribution in excess of the limits under Internal Revenue Code Section 415(c) or 415(n).
- (2) If payment pursuant to subparagraph (1) will not avoid a contribution in excess of the limits imposed by Internal Revenue Code Section 415(c) or 415(n), the Retirement System may either reduce the member's contribution to an amount within the limits of those sections or refuse the member's contribution.

K. Repayments of Cashouts. Any repayment of contributions (including interest thereon) to the Plan with respect to an amount previously refunded upon a forfeiture of service credit under the Plan or another governmental plan maintained by the Retirement System shall not be taken into account for purposes of Internal Revenue Code Section 415, in accordance with applicable Treasury Regulations.

L. Reduction of Benefits Priority. Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the member's benefit under any defined benefit plans in which the member participated, such reduction to be made first with respect to the plan in which the member most recently accrued benefits and thereafter in such priority as shall be determined by the plan and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the member participated, such reduction to be made first with respect to the plan in which the member most recently accrued benefits and thereafter in such priority as shall be established by the plan and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the plan and the plan administrator of all other plans covering such member.

[Source: Adopted by Resolution 11-05-2012]

17.12 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 503(b) FOR PROHIBITED TRANSACTIONS

Effective as of July 1, 1989, the Retirement Board may not engage in a transaction prohibited by Internal Revenue Code Section 503(b).

[Source: Adopted by Resolution 11-05-2012]

17.13 COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 72(t)(10)(B) FOR QUALIFIED PUBLIC SAFETY OFFICERS

A. A "qualified public safety officer" is defined in IRC Section 72(t)(10)(B) as any employee of a State or a political subdivision of a State who provides police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the State or political subdivision.

B. A distribution to a qualified public safety officer who has separated from service in the year in which he/she has turned age 50 (or later) is not subject to the 10% early distribution penalty.

C. Eligible retired public safety officers shall be permitted to make an election each year to exclude from gross income up to \$3,000 of their retirement plan benefits which are used to pay premiums for "qualified" health insurance or long-term care insurance.

[Source: Adopted by Resolution 11-05-2012]

APPENDIX ONE

**TULSA COUNTY RETIREMENT BOARD ELECTION
PROCEDURE**

POLICY AND PROCEDURE MANUAL

of

**THE EMPLOYEES' RETIREMENT SYSTEM
OF TULSA COUNTY, OKLAHOMA**



Revised effective the 26th day of April 2016.

TULSA COUNTY RETIREMENT BOARD ELECTION PROCEDURE FOR EMPLOYEE MEMBERS

Not more than ninety (90) days nor less than thirty (30) days prior to the expiration of a term of office of an employee member of the Board of Trustees of the Employees' Retirement System of Tulsa County ("Board") as set forth in Oklahoma Statutes, Title 19, Section 952.1, the Board shall, by resolution, establish a date for the election ("Election Date") of an employee member to a successive term of office for each expiring term. The Election Date so established may be any regular weekday not immediately preceding a weekend or Tulsa County holiday. In addition to the Election Date, which shall be set to occur prior to the end of the expiring term, such resolution shall state the office number and term to be filled, establish a three (3) day filing period, and an Eligibility Date. The Eligibility Date shall be the date on which all employees, as defined by Oklahoma Statutes, Title 19, Section 957, shall be determined eligible to vote. The last day of the filing period so established shall be in a month preceding the Election Date.

As soon as possible after the Election Date has been established, the Secretary of the Board ("Secretary") shall notify each department of Tulsa County by letter or email of the filing period. In the month preceding the Election Date, the Secretary shall distribute or cause to be distributed to each eligible voter a notice of election. Said notice of election shall be drafted by the Secretary and shall include general information pertaining to the election and a brief biographical sketch of each candidate.

During the filing period, candidates are to file for candidacy with the Secretary in the County Clerk's office during regular office hours. Declaration of Candidacy filings may be delivered in person or through the regular mail. However, any Declaration of Candidacy which does not reach the County Clerk's office by 5:00 p.m. on the last day of the filing period shall be considered void and shall be given no effect. Declaration of Candidacy forms shall be available in the County Clerk's office. Upon the closing of the filing period, the County Clerk's office shall hold a name placement drawing to decide the ballot position of the candidates.

The Secretary shall submit a ballot proof to the Chairman of the Retirement Board for his/her approval of the language on the ballot. Thereafter, printing of ballots shall commence.

The Secretary shall determine the eligible voters and shall prepare or cause to be prepared a sealed envelope for each such eligible voter. Each such sealed envelope shall contain a ballot, voter instructions, and an unsealed but sealable envelope ("the Voter Packet"). The voter instructions shall instruct the voter to, immediately upon marking his or her ballot, place the ballot in the enclosed envelope, seal the envelope, and to then return the sealed envelope containing the ballot in accordance with the instructions provided. Not more than five (5) days nor less than

three (3) days prior to the Election Date the Secretary shall distribute or cause to be distributed a Voter Packet to each eligible voter, provided however, that an eligible voter, upon their oath that they will be absent from the workplace during the time between Voter Packet distribution and Election Date, may be provided a Voter Packet at such earlier time as to allow such eligible voter to cast a ballot. Upon distribution of the Voter Packets to eligible voters, each such eligible voter shall sign his or her name next to his or her printed name and no ballot shall be distributed to any person who has not signed their name in accordance with this provision. Documentation of the eligible voters and their signature or lack thereof shall be maintained by the Secretary for a period of six (6) months after the Election Date. The Secretary shall provide instructions to eligible voters for the return of ballots, such instructions to provide that all ballots must be received by the Secretary by 5:00 PM on the Election Date. Any ballot not received by the Secretary by 5:00 PM on the Election Date shall be void and shall be given no effect. Returned voted ballots shall be secured in a locked ballot box until 5:00 PM on the Election Date and shall remain so secured until counted.

On the day immediately succeeding the Election Date, all ballots shall be counted under the direct supervision of the Secretary or the Secretary's designee by such teams of not less than two (2) persons as the Secretary shall designate. The Secretary shall canvass the returns of the ballot counts so conducted and provide the results to the Board Chairperson/Vice Chairperson who shall certify the election results by 5:00 PM on that same day.

The above procedures shall also apply in the event of a vacancy in an unexpired term, provided, however, that an election date shall be established by resolution as soon as is practical after creation of the vacancy.

**TULSA COUNTY RETIREMENT BOARD ELECTION PROCEDURE – RETIREE
POSITION ONLY**

Not more than ninety (90) days nor less than thirty (30) days prior to the expiration of the term of office of the retiree member of the Board of Trustees of the Employees' Retirement System of Tulsa County ("Board") as set forth in Oklahoma Statutes, Title 19, Section 952.1, the Board shall, by resolution, establish a date for the election ("Election Date") of a retiree member to a successive term of office. The Election Date so established may be any regular weekday not immediately preceding a weekend or Tulsa County Holiday. In addition to the Election Date, which shall be set to occur prior to the end of the expiring term, such resolution shall state the office number and term to be filled and establish a three (3) day filing period. The last day of the filing period so established shall be in a month preceding the Election Date.

As soon as possible after the Election Date has been established, the Secretary of the Board ("Secretary") shall notify the retirees, or the beneficiary, if the retired employee is deceased, by letter, of the filing period.

Declaration of Candidacy forms shall be available in the County Clerk's office. During the filing period, Declarations of Candidacy may be filed in person with the Secretary in the County Clerk's office during regular office hours, or by regular mail. If the Declaration does not reach the Clerk's office by 5:00 p.m. on the last day of the filing period, the Declaration shall be considered void and shall be given no effect. Upon the closing of the filing period, the County Clerk's office will hold a name placement drawing to decide the ballot position of the candidates.

The Secretary shall submit a ballot proof to the Chairman of the Retirement Board for his/her approval of the language on the ballot. Thereafter, printing of ballots shall commence.

Notice of the election and general information pertaining to the election, including a brief biographical sketch of each candidate, shall be drafted by the Secretary and mailed to all retirees and beneficiaries of deceased retirees, along with an absentee ballot to be voted by the retiree or the beneficiary, and a self-addressed ballot return envelope as soon as possible after the candidacy filing period. Employees, retirees and beneficiaries of deceased retirees shall be eligible to vote for retiree members. The voted ballot must be returned to the Secretary by 5:00 p.m. on the Election Date in order to be counted. Any ballot not received by the Secretary by 5:00 PM on the Election Date shall be void and shall be given no effect.

Returned voted ballots shall be secured in a locked ballot box until 5:00 p.m. on the Election Date and shall remain so secured until counted. On the day immediately succeeding the Election Date, all ballots shall be counted under the direct supervision of the Secretary or the Secretary's designee by such teams of not less than two (2) persons as the Secretary shall designate. The Secretary shall canvass the returns of the ballot counts so conducted and provide the results to the

Board Chairperson/Vice Chairperson who shall certify the election results by 5:00 PM on that same day.

The above procedures shall also apply in the event of a vacancy in an unexpired term, provided, however, that an election date shall be established by resolution as soon as is practical after creation of the vacancy.

APPENDIX TWO

**THE INVESTMENT POLICIES,
GUIDELINES AND OBJECTIVES**

POLICY AND PROCEDURE MANUAL

of

**THE EMPLOYEES' RETIREMENT SYSTEM
OF TULSA COUNTY, OKLAHOMA**



Revised effective the 20 day of June 2011.

EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY

STATEMENT OF INVESTMENT POLICIES, GUIDELINES, AND OBJECTIVES

MARCH, 2013

I. PREAMBLE

The Employees' Retirement System of Tulsa County, Oklahoma hereinafter referred as "the Plan" is a retirement plan created by the Board of County Commissioners to provide retirement benefits to eligible employees during their retirement years.

The Board of Trustees, ("Board"), is responsible for administration of the Plan and for the investment of the Plan's assets. The Board is authorized to retain professional consultants and investment managers to assist in the investment of the Plan's assets. The Board also establishes investment guidelines and evaluates investment manager performance.

II. FIDUCIARY RESPONSIBILITIES

The Board and its agents have a fiduciary responsibility to the participants and beneficiaries of the Plan regarding the investment of the Plan's assets. The fiduciary shall discharge his duties with respect to the Plan solely in the interest of the participants and beneficiaries and

- (a) For the exclusive purpose of:
 - (i) Providing benefits to participants and their beneficiaries; and
 - (ii) Defraying reasonable expenses of administering the Plan;
- (b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
- (c) By diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
- (d) In accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of this title and title IV.

III. PURPOSE

The purpose of this Investment Policy Statement is to:

- (a) Establish the Asset Allocation,
- (b) Set forth the Investment Objectives,
- (c) Provide Investment Guidelines, and
- (d) Institute Standards for Portfolio Evaluation

IV. ASSET ALLOCATION

The Board shall be responsible for allocation of the assets among Investment Managers as well as controlling the total Asset Allocation among stocks, bonds and cash. The Board has adopted¹ the following Asset Allocation among stocks, bonds and cash to serve as a general guideline in investing the Plan's assets.

	MINIMUM	TARGET	MAXIMUM
Domestic Equity	19.25%	29.25%	39.25%
<i>Core Equity</i>	0.00%	9.25%	19.25%
<i>SMid Capitalization Equity</i>	10.00%	20.00%	30.00%
International Equity²	0.00%	9.25%	19.25%
MLPs³	0.00%	8.00%	18.00%
Core Fixed Income	8.50%	18.50%	28.50%
Intermediate Fixed Income	8.50%	18.50%	28.50%
High Yield Fixed Income	0.00%	9.50%	19.50%
Active Duration Fixed Income	0.00%	7.00%	17.00%
Cash and Equivalents	0.0%	0.0%	5.0%

The Board will review the total Asset Allocation between Investment Managers and the overall Asset Allocation on a quarterly basis to keep the Asset Allocations of the various managers in line with the target Asset Allocation listed above. The need for balancing may also occur annually or more frequently if there are price movements in the financial markets which cause an Asset Class to exceed or fall below the established guideline limits.

¹ The target allocation above was adopted at the May 29, 2012 meeting of the Retirement Board.

² International Equity was added to the target asset allocation at the March 27, 2001 meeting of the Retirement Board

³ MLPs were added to the target asset allocation at the May 29, 2012 meeting of the Retirement Board.

V. INVESTMENT OBJECTIVES

The primary objective is to maximize the rate of return on the Plan assets consistent with the preservation of the value of principal by investing in stocks, bonds and cash. The performance of the Plan assets will be evaluated against investment objectives set forth in this document for each Asset Class.

The Plan shall be managed with a philosophy of selecting and retaining individual Investment Managers who have excelled in their investment disciplines. The manager(s) for the Plan assets shall have proven abilities in their disciplines (i.e., stocks, bonds, cash), with an ability to Add Value through active management in their respective market specialization. The investment objectives of the Plan are as follows:

- (a) The **Investment Managers**, when measured against other investment managers, should consistently rank in the top 33rd percentile over the trailing three and five year periods.
- (b) The **Overall Investment Objective** of the Plan is to outperform the return of a composite mix comprised of 9.25% of the S&P 500 Index, 20.00% of the Russell Mid Cap Index, 9.25% of the MSCI EAFE Index, 8.00% of the Alerian MLP Index, 25.50% of the Barclays Capital Aggregate Index, 18.50% of the Barclays Capital Government/Corporate Intermediate Index, and 9.50% of the Merrill Lynch High Yield II Index. This objective should be met over a market cycle of three to five years.⁴
- (c) The **Total Fund Long-term Rate of Return Objective** is 3.5% in excess of the Inflation rate.
- (d) The **Total Fund** rate of return should annually outperform, net of expenses, the actuarial return assumption of 8.0%.
- (e) The **Total Equity Portfolio** should achieve a total rate of return that exceeds by 1.0% the total return, net of expenses, of the S&P 500 Index over a full market cycle, usually three to five years.
- (f) The **Active Large Capitalization Equity Portfolio** should achieve a total rate of return that exceeds by 1.0% the total return, net of expenses, of the S&P 500 Index over a full market cycle, usually three to five years.
- (g) The **S&P 500 Equity Index Fund** should achieve a total rate of return that matches the S&P 500, gross of fees, over a full market cycle, usually three

⁴ Asset allocation targets changed due to May 29, 2012 Board action.

to five years. The acceptable range of gross of fee returns around the benchmark is +/- 0.25% per year.⁵

- (h) The **Smid Capitalization Equity Portfolio** should achieve a total rate of return that exceeds by 1.0% the total return, net of expenses, of the Russell Mid Cap Index over a full market cycle, usually three to five years.
- (i) The **International Equity Portfolio** should achieve a total rate of return that exceeds by 1.5% the total return, net of expenses, of the Morgan Stanley Capital International Europe, Australasia, and the Far East (ND) Index, over a full market cycle, usually three to five years.
- (j) The **Total Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Barclays Capital Government/Corporate Intermediate Bond Index over a full market cycle of three to five years.
- (k) The **Intermediate Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Barclays Capital Government/Corporate Intermediate Bond Index over a full market cycle of three to five years.
- (l) The **Core Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Barclays Capital Aggregate Bond Index over a full market cycle of three to five years.
- (m) The **Active Duration Fixed Income Portfolio** should achieve a total return, net of expenses, that exceeds the total rate of return of the Barclays Capital Aggregate Bond Index over a full market cycle of three to five years.
- (n) The **MLP Portfolios** should achieve a total return, net of expenses, that exceeds the total rate of return of the Alerian Total Return MLP Index over a full market cycle of three to five years.
- (o) **Cash and short term securities** should achieve relative performance better than 91-day U. S. Treasury Bills.

⁵ Objective changed during January 26, 1999 Board meeting.

VI. INVESTMENT GUIDELINES

The Investment Managers are expected to execute all transactions as efficiently as possible. There are no specific restrictions on portfolio turnover or preference for long or short term holding periods. The Board does, however, anticipate that long-term performance will be enhanced by investment strategies, not trading strategies.

All securities transactions shall be effected through brokerage firms. Each Investment Manager shall ensure brokerage commissions paid by them for executions and other services that benefit the Investment Managers are reasonable. When Investment Managers direct commissions on behalf of the Plan, the direction shall be contingent upon the institution being competitive in both price and execution. The Board retains the right to direct brokerage commissions.

The Investment Managers shall comply with the principles outlined below regarding so-called Soft Dollar revenues.

- (a) All contracts with service providers shall be paid on a hard dollars basis.
- (b) All agreements involving brokerage Soft Dollars shall be made directly by the Board with brokerage houses on a contract basis.
- (c) All Soft Dollar credits shall be paid directly by the brokerage houses to the Plan.
- (d) All portfolio managers should trade a minimum of 60% of all trades through contract brokerage houses, although the portfolio managers shall choose which brokerage houses shall make the trades.
- (e) A semi-annual report shall be prepared by the Custodian and Investment Manager(s) indicating the transactions executed. For other than direct transactions, the manager(s) shall have the discretion to execute transactions with the brokerage firm(s) of the manager's choosing; however, selection shall always be made in the best interest of the Plan.

The Plan assets may be invested in publicly traded common and preferred stocks, convertible bonds and preferred stocks, and non convertible fixed income securities, whether interest bearing or discount instruments, including money market instruments, subject to any restrictions herein specified. The assets of the Plan shall be invested in a manner consistent with generally accepted standards of fiduciary responsibility. The safeguards which would guide a Prudent Man shall be observed. All transactions undertaken on behalf of the Plan shall be for the sole benefit of the participants in the Plan. There is no preference for income as opposed to realized capital gains, since there are no immediate liquidity demands on the Plan.

The **domestic equity portfolios** should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) No options or financial futures shall be purchased unless approved in writing by the Board.⁶
- (b) Aggregate investment Beta (versus the applicable benchmark) of the entire portfolio at any time should not exceed 1.20⁷.
- (c) No private placements or venture capital should be purchased.
- (d) No investments should be made in foreign securities unless available in ADR's or on a U.S. exchange.
- (e) The Plan's equity Investment Manager(s) shall vote all proxies in the best interest of the Plan without regard to social issues. The equity Investment Manager(s) shall provide a written report each year to discuss the general guidelines they followed in voting proxies during the year.
- (f) No single security in each manager's portfolio will constitute more than 5% of the portfolio's equity allocation at the time of purchase, nor will it be more than 7% of the equity allocation of the portfolio after accounting for price appreciation.
- (g) Equity purchases are limited to stocks of companies with a minimum capitalization of \$200 million, unless approved by the Board.
- (h) The funds shall remain fully invested in equities except for a nominal time between sales and repurchases.

The **international equity** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- (a) Investing internationally diversifies the overall Retirement System across the global equity markets. The international equity manager will invest in non-U.S. dollar denominated equity securities. The manager is required to invest in a prudent manner and to operate under the restrictions indicated in their prospectus. These include: regional constraints, diversification requirements and the type of securities held.

⁶ Approval granted to Miller, Anderson & Sherrerd in writing during the March 26, 1996 Board meeting.

⁷ Barrow, Hanley was granted an exception to this constraint during 2006.

- (b) The Morgan Stanley Capital International Europe, Australasia, and the Far East Index (after fees) will be the benchmark for comparative performance purposes. The EAFE Index is a market value weighted index comprised of over 1,000 companies traded on the stock markets of Europe, Australasia, and the Far East. The portfolio is expected to outperform the index by 1.5% per year, over a full market cycle, usually three to five years.

The **core and intermediate fixed income** portfolios should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The fixed income managers will manage their portfolios so that at least 85% of the portfolio shall be in bonds of at least "investment grade". The managers may, at their discretion, invest up to 15% of the portfolio in bonds rated below "investment grade" but not lower than "B". The bonds may be rated by either Moody's or Standard and Poors. The managers are not required to invest in securities rated below investment grade.⁸
- b) Total fixed income exposure, from any single issuer except U.S. Government, its agencies or instrumentalities, shall not exceed 7.0% of the total allocation of the portfolio, except below investment grade issuers, which shall not exceed 2.5% of the portfolio.
- c) No options or financial futures shall be utilized unless approved in writing by the Board.
- d) The maximum effective Duration of the **Intermediate Fixed Income** portfolio will be 120% of the Barclays Capital Government/Corporate Intermediate Bond Index.
- e) The maximum effective Duration of the **Core Fixed Income** portfolio will be 120% of the Barclays Capital Aggregate Bond Index.
- f) All interest and principal payments shall be swept, as received, into a shorter money market fund for redeployment.

The **active duration fixed income** portfolio should reflect the discretion of the Investment Manager(s) within the following constraints:

- a) The portfolio will be invested in investment grade bonds.
- b) The Investment Manager shall have full discretion to manage the portfolio's duration.

⁸ Investment guideline revised on 28-May-2002.

The Investment Manager shall have full discretion to invest up to 100% of the portfolio in cash.

MLP portfolios will be limited to the purchase of MLP interests, which include:

- a) Securities such as units and other securities issued by MLPs that are organized as partnerships or limited liability companies which elect to be taxed as a partnership;
- b) Securities that offer economic exposure to MLPs from entities holding primarily general partner or managing member interests in MLPs and securities that are derivatives of MLP interests, such as exchange-traded shares and other derivative securities of MLPs.
- c) Leverage is not allowed.
- d) Short-selling is not allowed.
- e) No single security in each manager's portfolio will constitute more than 10% of the portfolio's market value after accounting for price appreciation.

Money market funds are securities with maturities of less than one year. Money market purchases should reflect the discretion of the Investment Managers within the following guidelines:

- (a) Investments can be made in any money market instrument that is a U.S. Government and agency obligation, repurchase agreements, collateralized by U.S. Government or agency securities; delayed delivery transactions, reverse repurchase agreements, commercial paper, bankers' acceptances, certificates of deposit; Euro or Yankee Dollar obligations; and time deposits.
- (b) Commercial paper shall be restricted to paper rated A-2 or P-2 or better and shall be limited to not more than 10% of the outstanding commercial paper of any one issuer.
- (c) Bankers' acceptances, Certificates of Deposit; Euro or Yankee Dollar obligations; and time deposits shall be made in the larger banks (ranked by assets) rated "AA" or better by Moody's and in conformance with all FDIC regulations concerning capital requirements.

VII. PORTFOLIO EVALUATION

On a quarterly basis:

- (a) The Investment Managers shall provide written reports to the Board and the Investment Consultant detailing performance for the most recent period as well as the current outlook of the equity and fixed income markets,
- (b) The Investment Consultant shall monitor Investment Managers' performance and consistency with the investment guidelines,
- (c) The Investment Consultant shall meet with the Board, and review the Investment Managers' performance relative to objectives set forth in this document.

VIII. DEFINITIONS

ADR	(American Depository Receipt) A negotiable certificate receipt issued, in dollars, by an American depository stating that a certain number of foreign securities have been deposited with an overseas branch of the depository or with a custodian. ADR's are traded on the New York and other U.S. stock exchanges.
Add Value	The margin by which an investment advisor can out-perform the relative index in a specific asset class.
Asset Allocation	Process by which the total fund is divided among the different asset classes.
Asset Class	Categories of investments that include equity securities, fixed income securities and cash equivalents.
Beta	A measure of an equity portfolio's risk level which indicates its sensitivity to changes in the S&P 500 equity index. A portfolio with a Beta greater than one is more volatile than the S&P 500 (i.e. a Beta of 1.20 indicates the portfolio is 20% more volatile than the S&P 500).
Cash	Instruments or investments of high quality and safety, i.e., money market funds or treasury bills. Maturity is usually less than one year.
Core Equity	An equity portfolio with an average capitalization, sector weightings, and portfolio characteristics closely resembling the S&P 500.
Equities	Ownership interest possessed by shareholders in a corporation; stock as opposed to bonds.
Duration	A measure of a fixed income portfolio's risk level which indicates how sensitive a fixed income portfolio is to a change in interest rates. The longer a portfolio's duration is, the more volatile it will react to changes in interest rates. Duration is calculated by finding the net present value of all cash flows of a bond until maturity.
Fixed Income	Any interest bearing or discounted government or corporate security that obligates the issuer to pay the holder a specified sum of money, usually at specified intervals, and to repay the principal amount of the loan at maturity.
Inflation	The rise in the prices of goods and services as measured by the Consumer Price Index (CPI).
International Equity Portfolio	An equity portfolio composed of companies based outside of the United States.
Investment Committee	The Committee, appointed by the Board of Trustees, is given authority to advise the Board on the management of the assets of the Plan
Investment Consultant	The firm employed to consult on matters relating to the effective management of the Plan assets.

Investment Manager	The entity that provides investment advice for a fee. All Investment Managers shall be registered with the Securities and Exchange Commission and abide by the rules of the Investment Advisors Act.
Large Cap Equity Portfolio	An equity portfolio composed of large sized companies. Large capitalization portfolios buy stocks with market capitalizations above \$10.0 billion.
Long-term	An investment approach to the markets in which an investor seeks appreciation by evaluating securities over a complete business cycle, usually three to five years.
Mid Cap Equity Portfolio	An equity portfolio composed of middle sized companies. Middle capitalization portfolios buy stocks with market capitalizations between \$2.0 billion to \$10.0 billion.
Prudent Man	A fiduciary charged with utilizing the care, skill, prudence, and diligence that a prudent person who is familiar with such matters would use under the circumstances then prevailing.
Rate of Return	A return that includes appreciation (depreciation), realized capital gains (losses), and income. A quarterly return is computed and then chain-linked to calculate time-weighted rates of return for the periods under study.
Small Cap Equity Portfolio	An equity portfolio composed of small sized companies. Small capitalization portfolios buy stocks with market capitalizations between \$250 million to \$2.0 billion.
Soft Dollar	A term used to describe commission arrangements between the Board and brokerage firms whereby portions of the commissions paid for executing securities transactions are rebated to the Plan.
Total Fund	Aggregate total of all assets in the Plan.

APPENDIX THREE

FUNDING POLICY

POLICY AND PROCEDURE MANUAL

of

THE EMPLOYEES' RETIREMENT SYSTEM OF TULSA COUNTY, OKLAHOMA



Revised effective the 29th day of June 2015.

Employees' Retirement System of Tulsa County, Oklahoma Funding Policy

The goals of this policy are:

1. To provide reasonable assurance that the cost of the retirement system will be funded in an equitable and sustainable manner.
2. To keep contribution levels as stable as possible and equitably allocate the costs over each employee's period of active service.
3. To eventually fund the system at 100% of its projected liabilities.

To achieve these goals, the County will:

1. Require an annual actuarial valuation.
2. Make annual contributions at the Actuarially Determined Contribution (ADC) level, within the limitations of Oklahoma State Statutes, and County Budget considerations.
3. Review the employee contribution level annually and adjust when appropriate.
4. Use the five year asset smoothing of market values for actuarial purposes.
5. Not amend or modify plan provisions without obtaining an impact statement from a qualified actuary, and provide concurrent funding if the impact statement determines that the amendment or modification results in an increase in the unfunded liability as required by state statute (19 O.S. §§965).

APPENDIX FOUR
STATUTORY PROVISIONS

POLICY AND PROCEDURE MANUAL
of
THE EMPLOYEES' RETIREMENT SYSTEM
OF TULSA COUNTY, OKLAHOMA



Revised effective the 20th day of June 2011.

APPENDIX FIVE
DISTRICT ATTORNEY OPINIONS

POLICY AND PROCEDURE MANUAL
of
THE EMPLOYEES' RETIREMENT SYSTEM
OF TULSA COUNTY, OKLAHOMA



Revised effective the 20th day of June 2011.

APPENDIX SIX
ATTORNEY GENERAL OPINIONS

POLICY AND PROCEDURE MANUAL
of
THE EMPLOYEES' RETIREMENT SYSTEM
OF TULSA COUNTY, OKLAHOMA



Revised effective the 20th day of June 2011.