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DEFERRED OPTION PAYOUT PROVISION ELECTION

(ONLY COMPLETE THIS FORM IF YOU WISH TO LEAVE YOUR DEFERRED OPTION PLAN ACCOUNT BALANCE IN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM)

I, _____, SSN _____, as a participant in the Oklahoma Police Deferred Option Plan ("Plan"), 11 O.S. § 50-101 et seq. and OAC 550:15, will terminate employment with the _____ Police Department on _____, and will elect to participate in the Oklahoma Police Deferred Option Payout Provision effective (**first day of the month**) _____, 20 _____.

I understand and agree that my Deferred Option Payout Account balance will be commingled and invested with the total pension fund and as such I will not be able to direct my investments in the account.

I further understand and agree that I shall not have any recourse against the Oklahoma Police Deferred Option Plan, the Oklahoma Police Pension and Retirement System ("System"), the Executive Director or any other member of the staff of the System, and/or the Oklahoma Police Pension and Retirement Board ("Board") for any investment decisions made by the Board and/or System.

I further understand and agree that the pension fund's investments are diversified and based upon a long term time horizon; that the Board will add, change or terminate strategies and investment managers based upon recommendations from the Board's financial consultant and that the Board's investment strategy is to meet or exceed the actuarial assumption rate of 7.5% per annum. I fully understand, agree with and accept the fact that the System's investment strategy may not be in accordance with my own investment strategies.

I further understand and agree that my Account shall earn interest as follows:

1. A retired member who elects to participate in the Deferred Option Payout Provision shall not be guaranteed a minimum rate of return.
 - a. Should the net annual rate of return of the investment portfolio of the System be greater than 2%, the retired member's Deferred Option Payout Account balance shall earn interest at a rate of two percentage points below the net annual rate of return of the investment portfolio of the System.
 - b. Should the net annual rate of return of the investment portfolio of the System be less than two percentage points but equal to or greater than zero percentage points, a retired member's Deferred Option Payout Account balance shall earn interest of zero percentage points.
 - c. Should the net annual rate of return of the investment portfolio of the System be less than zero percentage points, there shall be a reduction in the Deferred Option Payout Account balance of the retired member equal to the net annual rate of return of the investment portfolio of the System.
2. Interest, if any, shall be credited to the retired member's Deferred Option Payout Account on an annual basis which is defined as fiscal year ending June 30. The formula for calculating the interest shall be the balance of the Deferred Option Payout Account times the interest rate (determined by number 1 above), divided by the number of days in the fiscal year, and multiplied by the number of days the balance was deposited into the Payout Account for the fiscal year.

I further understand and agree that:

1. A retired member may leave their Deferred Option Payout Account balance in the Fund until age 70½ (if born before July 1, 1949) or age 72 (if born after June 30, 1949), at which time the retired member shall withdraw their entire Deferred Option Payout Account balance. Should a retired member decide to withdraw monies from the Deferred Option Payout Account prior to reaching age 70½ (if born before July 1, 1949) or age 72 (if born after June 30, 1949), the retired member must withdraw their Deferred Option Payout Account balance in total.

2. When a retired member has participated in the Deferred Option Payout Provision until the maximum age of age 70½ (if born before July 1, 1949) or age 72 (if born after June 30, 1949), or if the retired member elects to withdraw the Deferred Option Payout Account balance prior to age 70½ (if born before July 1, 1949) or age 72 (if born after June 30, 1949), the retired member's Deferred Option Payout Account balance ceases to earn interest.
3. At the time the retired member elects to withdraw the Deferred Option Payout Account balance, annual interest calculated through the last day of the month in which the retired member has elected to withdraw and certified by the Board's financial consultant will be credited to the retired member's Deferred Option Payout Account.
4. The retired member may select a lump sum payment, equal to the retired member's Deferred Option Payout Account balance, which will be paid directly to the retired member by the System. This payment will be made after interest, if any, is applied following termination from this Payout Provision and after receipt of the completed payment selection form.
5. The retired member may select a direct rollover of his or her distributions in accordance with OAC 550:1-7-5. If the retired member does not select an Eligible Retirement Plan as described in OAC 550:1-7-5, or an annuity, the retired member shall receive a lump-sum payment equal to the retired member's Deferred Option Payout Account balance.
6. The retired member may select an annuity to be provided by a third party. The System shall not be subject to any fees or charges from the annuity provider.
7. Once the retired member's Deferred Option Payout Account balance has been paid to the retired member, as a direct rollover or to the retired member's annuity provider, the retired member shall not have any recourse against the Oklahoma Police Deferred Option Plan, the System, its Executive Director, staff, and/or Board.
8. Should the retired member die during the period of the participation in the Deferred Option Payout Provision, a beneficiary may elect to receive a lump sum payment equal to the retired member's account balance. A beneficiary who is a surviving spouse of a retired member may also elect a direct rollover of the Deferred Option Payout Account balance in accordance with OAC 550:1-7-5. If there is no beneficiary or if the beneficiary predeceases the retired member a lump sum payment equal to the account balance shall be paid to the estate, trust or successor in interest of the retired member.

RELEASE AND COVENANT NOT TO SUE AGREEMENT

This general Release and Covenant Not To Sue ("Release") is entered into this _____ day of _____, 20____, by and between _____ whose Social Security number is _____, (hereinafter referred to as party of the first part) and the Oklahoma Police Pension and Retirement System, the Oklahoma Police Pension and Retirement Board and the State of Oklahoma, and all of their present and former members, officers, directors, partners, agents employees, trustees, fiduciaries, administrators, executors, predecessors, successors, assigns and every person, firm and entity acting by, through or in concert with or on behalf of any or all of them; and the State of Oklahoma.

The party of the first part agrees as follows:

1. The purpose of this Release is for the party of the first part to release and covenant not to sue on any and all claims and causes of action that the party of the first part has or may have in the future against the Oklahoma Police Pension and Retirement System, the Oklahoma Police Pension and Retirement Board and the State of Oklahoma whether state or federal and whether tortious, contractual, administrative, statutory or constitutional and to release the Oklahoma Police Pension and Retirement System, the Oklahoma Police Pension and Retirement Board and the State of Oklahoma from any and all liability relating to the Oklahoma Police Deferred Option Payout Provision Policy. This Release also includes any and all claims regarding the computation of principal and/or interest related to the Oklahoma Police Deferred Option Payout Provision Policy as well as any other claims that could have been brought before any court, agency, administrative body, or other tribunal.
2. In consideration of the party of the first part being allowed to participate in the Oklahoma Police Deferred Option Payout Provision Policy the party of the first part agrees to the following:
 - a. Party of the first part does hereby knowingly and voluntarily release from and covenant not to sue the Oklahoma Police Pension and Retirement System, Oklahoma Police Pension and Retirement Board and the State of Oklahoma for any and all claims, counts, obligations, agreements, suits and rights of every kind or nature which party of the first part now has against them or could be brought against them relating to the Oklahoma Police

Deferred Option Payout Provision Policy. This release includes any and all claims under constitution, statute, law, rule of law, contract or other obligations for any and all emotional distress, money, loss, injury, wages, lost income, costs, attorney's fees, expenses, or anything of value. This release includes but is not limited to the following:

- (i) Any and all tort claims, constitutional claims, or statutory claims that party of the first part has filed, could have filed, or could file in the future against the Oklahoma Police Pension and Retirement System, Oklahoma Police Pension and Retirement Board, and/or the State of Oklahoma under the Oklahoma Administrative Procedures Act, 75 O.S. § 250 et seq. or the statutes governing the operation of the Oklahoma Police Pension and Retirement System, 11 O.S. § 50-101 et seq. relating to the Oklahoma Police Deferred Option Payout Provision Policy.
 - (ii) Any and all claims arising out of terms and conditions of the calculation and the crediting of principal and/or interest by the Oklahoma Police Pension and Retirement System and/or the Oklahoma Police Pension and Retirement Board related to the Oklahoma Police Deferred Option Payout Provision Policy.
3. Party of the first part agrees that the Oklahoma Police Pension and Retirement System, The Oklahoma Police Pension and Retirement Board and the State of Oklahoma have not made any representation, agreement, or promise to do or admit to do any act or thing not specifically stated in this Release.
 4. This Release shall be binding upon and inure to the benefit of the legal representatives, successors, assignees, employees and agents of the parties hereto to the extent permitted by law.
 5. By signing this Release, the party of the first part hereto agrees that he/she has fully read and understands the terms and conditions of this Release, that he/she has fully consulted with his/her attorneys and with all other persons who he/she wishes or needs to consult. He/she further acknowledges that this Release was signed knowingly and voluntarily and without duress and that the terms of the Release incorporate the full agreement of the parties.

As party of the first part, I have read the foregoing notice and its contents, and the statements made therein are true and correct.

PARTICIPANT SIGNATURE (**Witnessed by Notary**) _____ DATE _____

MAILING ADDRESS _____

CITY, STATE, ZIP CODE _____

TELEPHONE () _____ EMAIL _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss:
COUNTY OF _____)

Before me, a Notary Public in and for said county and state, on this _____ day of _____, 20____, personally appeared _____, to me known to be the identical person who executed the within and foregoing DEFERRED OPTION PAYOUT PROVISION ELECTION and RELEASE AND COVENANT NOT TO SUE AGREEMENT, and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed for the uses and purposes therein set forth.

NOTARY PUBLIC SIGNATURE

My Commission Expires: _____

Commission No.: _____

[SEAL]