

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1266

By: Ostrander

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Firefighters Pension and Retirement System; amending 11 O.S. 1991, Section 49-100.8, which relates to certification of contribution rates; modifying certain period; amending Section 2, Chapter 317, O.S.L. 1998, as amended by Section 2, Chapter 228, O.S.L. 1999 (11 O.S. Supp. 1999, Section 49-143.3), which relates to payment of certain benefits; modifying certain dates; authorizing benefit increase for certain persons; requiring implementation of annual benefit adjustment; providing for adjustment of retirement benefits based upon Consumer Price Index; providing for computation of certain retirement benefit; providing for adjustment of benefits; prescribing method for adjustment of benefits; providing for certain offset; repealing 11 O.S. 1991, Section 49-143.1, as last amended by Section 1, Chapter 228, O.S.L. 1999 (11 O.S. Supp. 1999, Section 49-143.1), which relates to certain benefit increases; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 1991, Section 49-100.8, is amended to read as follows:

Section 49-100.8 The State Board shall certify to the Director of State Finance, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate, on or before July 15 of each year, an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the System to pay by level-dollar payments all liabilities which shall exist or accrue pursuant to the provisions of the System, including amortization of the unfunded

accrued liability over a period of not to exceed thirty (30) years beginning July 1, ~~1988~~ 2000.

SECTION 2. AMENDATORY Section 2, Chapter 317, O.S.L. 1998, as amended by Section 2, Chapter 228, O.S.L. 1999 (11 O.S. Supp. 1999, Section 49-143.3), is amended to read as follows:

Section 49-143.3 A. For purposes of this section the following definitions shall apply:

1. "Initial COLA Benefit Date" means the later of the member's date of benefit commencement or January 1, 1981. This date is used in the definition of Initial COLA Benefit and Target COLA Benefit;

2. "Initial COLA Benefit" means the accrued retirement benefit which will be used as the base benefit for determining the Target COLA Benefit. The Initial COLA Benefit equals the benefit in payment status as of the Initial COLA Benefit Date. Furthermore, this benefit will reflect adjustment for military service credits, if any, granted after the Initial COLA Benefit Date;

3. "CPI-U" means the Consumer Price Index for all urban consumers for all goods and services, as published by the Bureau of Labor Statistics, U.S. Department of Labor. This is used as a measure of price inflation for the development of the Target COLA Benefit defined below; and

4. "Target COLA Benefit" is the Initial COLA Benefit adjusted to reflect price inflation as measured by CPI-U. The Target COLA Benefit is calculated for each eligible member to equal the member's Initial COLA Benefit multiplied by a ratio of (A) divided by (B) as follows:

(A) is the CPI-U as of July 1, ~~1997~~ 1999.

(B) is the CPI-U as of July 1 of the calendar year of the Initial COLA Benefit Date.

B. The Board shall, effective July 1, ~~1999~~ 2000, implement a benefit adjustment, to increase, if necessary, the retirement benefit for any person receiving benefits from the System as of June

30, ~~1997~~ 1999. This benefit adjustment is intended to restore one hundred percent (100%) of the loss of the Initial COLA Benefit, if any, due to price inflation, as measured by CPI-U. The benefit adjustment shall be one hundred percent (100%) of the amount by which the Target COLA Benefit is in excess, if any, of the June ~~1998~~ 2000 retirement benefit. Persons who retired after December 31, ~~1996~~ 1998 and before July 1, ~~1997~~ 1999, shall receive a benefit increase based on one hundred percent (100%) of one-half (1/2) of the CPI-U change for the period beginning January 1, ~~1997~~ 1999 and before July 1, ~~1997~~ 1999.

C. Any increase in benefits a person is eligible to receive pursuant to repealed Section 49-136 of Title 11 of the Oklahoma Statutes, after June 30, ~~1998~~ 2000, shall be offset by the increase in benefits, if any, provided by this section.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 49-143.4 of Title 11, unless there is created a duplication in numbering, reads as follows:

A. On July 1, 2001, and every July 1 thereafter through and including July 1, 2003, the Board shall implement an annual benefit adjustment to increase, if necessary, the retirement benefit for any person receiving benefits from the System based on the retirement of a paid firefighter. The benefit adjustment shall equal the amount by which the monthly benefit as of the 1st day of July of each fiscal year is in excess, if any, of the retirement benefits being paid as of the 1st day of July of the preceding fiscal year adjusted to reflect price inflation as measured by the Consumer Price Index for all urban consumers for all goods and services, as published by the Bureau of Labor Statistics, U.S. Department of Labor, provided however, said benefit adjustment increase shall not exceed one percent (1%) per fiscal year.

B. Notwithstanding the provisions of Section 49-106.1 of this title, any persons receiving benefits pursuant to Section 49-101 of

this title shall receive a benefit equal to the Volunteer Retirement Rate for each year of credited service not to exceed thirty (30) years of service. Beginning July 1, 2000, the Volunteer Retirement Rate shall equal Seven Dollars (\$7.00). On July 1, 2001, and every July 1 thereafter, through and including July 1, 2003, the Board shall implement an annual benefit adjustment to increase, if necessary, the Volunteer Retirement Rate. The benefit adjustment shall equal the amount by which the Volunteer Retirement Rate as of the 1st day of July of each fiscal year is in excess, if any, of the Volunteer Retirement Rate being paid as of the 1st day of July of the preceding fiscal year adjusted to reflect price inflation as measured by the Consumer Price Index for all urban consumers for all goods and services, as published by the Bureau of Labor Statistics, U.S. Department of Labor, provided however, said benefit adjustment increase shall not exceed one percent (1%) per fiscal year.

C. Any increase in benefits a person is eligible to receive pursuant to repealed Section 49-136 of Title 11 of the Oklahoma Statutes shall be offset by any increase in benefits, if any, provided by this section.

SECTION 4. REPEALER 11 O.S. 1991, Section 49-143.1, as last amended by Section 1, Chapter 228, O.S.L. 1999 (11 O.S. Supp. 1999, Section 49-143.1), is hereby repealed.

SECTION 5. This act shall become effective July 1, 2000.

SECTION 6. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

47-2-8863 MAH 6/11/15