

ENGROSSED HOUSE
BILL NO. 2753

By: Askins and Nance of the
House

and

Monson of the Senate

(Firefighters Pension and Retirement System -
amending 11 O.S., Section 49-143.3 - cost-of-living
adjustments - offset of certain amount - cessation
of adjustments - repealing 11 O.S., Section 49-
143.1 - benefit increases - codification -
effective date -
emergency)

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

SECTION 1. AMENDATORY 11 O.S. 2001, 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~~ 2002.

(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~~ 2002, implement a benefit adjustment, to increase, if necessary, the retirement benefit for any person receiving benefits from the System as of June 30, ~~1997~~ 2001. 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~~ 2002 retirement benefit. Persons who retired after December 31, ~~1996~~ 2000 and before July 1, ~~1997~~ 2001, 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~~ 2001 and before July 1, ~~1997~~ 2001.

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~~ January 1, 1981, shall be offset by the increase in benefits, if any, provided by this section.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 49-134.4 of Title 11, unless there is created a duplication in numbering, reads as follows:

A. On July 1, _____, and every July 1 thereafter through and including July 1, _____, 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.

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, _____, the Volunteer Retirement Rate shall equal _____. On July 1, _____, and every July 1 thereafter, through and including July 1, _____, 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.

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 January 1, 1981, shall be offset by any increase in benefits, if any, provided by this section.

D. The State Board shall cease implementing the provisions of this section on a prospective basis if the actuarial funded percentage of the System in any future year is less than seven (7) percentage points of the actuarial funded percentage of the System as of July 1, 2001, on a fiscal year basis. For purposes of comparing the actuarial funded percentage of the System as of July 1, 2001, with the actuarial funded percentage of the System for future years, the July 1, 2001, actuarial assumed interest rate shall be used.

SECTION 3. REPEALER 11 O.S. 2001, Section 49-143.1, is hereby repealed.

SECTION 4. This act shall become effective July 1, 2002.

SECTION 5. 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.

Passed the House of Representatives the 6th day of March, 2002.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2002.

Presiding Officer of the Senate