

THE HOUSE OF REPRESENTATIVES
Wednesday, March 7, 2007

Committee Substitute for
House Bill No. 1638

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1638 - By: BANZ of the House and ALDRIDGE of the Senate.

(public retirement system – Oklahoma Public Pension Military Service Crediting Act of 2007 – crediting of military service – Military Service Credit Contribution Payment Fund –sales tax apportionment – codification – noncodification – effective date –
emergency)

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

1 SECTION 1. NEW LAW A new section of law not to be codified in the
2 Oklahoma Statutes reads as follows:

3 This act shall be known and may be cited as the “Oklahoma Public Pension Military
4 Service Crediting Act of 2007”.

5 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma
6 Statutes as Section 49-138A of Title 11, unless there is created a duplication in
7 numbering, reads as follows:

8 A. As used in this section, “eligible military service” means a period of time during
9 which the member of the retirement system is absent from employment either on leave
10 without pay status or having exhausted all applicable forms of vacation, annual leave or
11 other leave authorized by the employer, and not receiving compensation from the

1 employer because of orders issued from a branch of the United States Armed Forces or
2 from the Oklahoma National Guard, mobilizing or deploying the member, in a manner
3 that requires the member to be absent from employment with a participating employer.
4 “Eligible military service” shall be exclusive of periods of time the member is absent
5 solely for education, for the purpose of professional military education, military rank or
6 military grade progression, or for initial military entrance training, whether as an
7 enlisted person or a commissioned officer.

8 B. Notwithstanding any other provision of law to the contrary, for eligible military
9 service performed by a member on or after the effective date of this act, a member shall
10 receive service credit for any period of time during which the member performed the
11 eligible military service.

12 C. For periods of eligible military service the employee contributions applicable to
13 the period of such service shall be paid from the Military Service Credit Contribution
14 Payment Fund created pursuant to Section 5 of this act. Employee contributions shall be
15 paid to the System for the entire period during which the absent member was mobilized
16 or deployed pursuant to valid orders from the military authority responsible for military
17 service of the branch of the United States Armed Forces in which the absent member was
18 either an enlisted member or an officer.

19 D. The System may prescribe rules for the documentation of the authenticity of
20 such orders and for documentation of the period of service for which the service credit
21 authorized by this subsection is provided.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 E. Employee contributions shall be made at the applicable rate for the period of the
2 absence using the member's salary during the last period the member was actively
3 performing the job duties associated with membership in the System or the salary in
4 effect during the last month the member was employed, but during which the member
5 was using applicable annual or other leave and for which the member was paid the
6 member's full salary, whichever salary amount is greater.

7 F. The payment to the System shall be made within thirty (30) days of the date the
8 member returns to active and paid employment with the participating employer and
9 requests the service credit authorized by this section.

10 G. The maximum period of service credit authorized by this section shall be five (5)
11 years.

12 SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma
13 Statutes as Section 50-128A of Title 11, unless there is created a duplication in
14 numbering, reads as follows:

15 A. As used in this section, "eligible military service" means a period of time during
16 which the member of the retirement system is absent from employment either on leave
17 without pay status or having exhausted all applicable forms of vacation, annual leave or
18 other leave authorized by the employer, and not receiving compensation from the
19 employer because of orders issued from a branch of the United States Armed Forces or
20 from the Oklahoma National Guard, mobilizing or deploying the member, in a manner
21 that requires the member to be absent from employment with a participating employer.

22 "Eligible military service" shall be exclusive of periods of time the member is absent

1 solely for education, for the purpose of professional military education, military rank or
2 military grade progression, or for initial military entrance training, whether as an
3 enlisted person or a commissioned officer.

4 B. Notwithstanding any other provision of law to the contrary, for eligible military
5 service performed by a member on or after the effective date of this act, a member shall
6 receive service credit for any period of time during which the member performed the
7 eligible military service.

8 C. For periods of eligible military service the employee contributions applicable to
9 the period of such service shall be paid from the Military Service Credit Contribution
10 Payment Fund created pursuant to Section 5 of this act. Employee contributions shall be
11 paid to the System for the entire period during which the absent member was mobilized
12 or deployed pursuant to valid orders from the military authority responsible for military
13 service of the branch of the United States Armed Forces in which the absent member was
14 either an enlisted member or an officer.

15 D. The System may prescribe rules for the documentation of the authenticity of
16 such orders and for documentation of the period of service for which the service credit
17 authorized by this subsection is provided.

18 E. Employee contributions shall be made at the applicable rate for the period of the
19 absence using the member's salary during the last period the member was actively
20 performing the job duties associated with membership in the System or the salary in
21 effect during the last month the member was employed, but during which the member

1 was using applicable annual or other leave and for which the member was paid the
2 member's full salary, whichever salary amount is greater.

3 F. The payment to the System shall be made within thirty (30) days of the date the
4 member returns to active and paid employment with the participating employer and
5 requests the service credit authorized by this section.

6 G. The maximum period of service credit authorized by this section shall be five (5)
7 years.

8 SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma
9 Statutes as Section 2-307.4A of Title 47, unless there is created a duplication in
10 numbering, reads as follows:

11 A. As used in this section, "eligible military service" means a period of time during
12 which the member of the retirement system is absent from employment either on leave
13 without pay status or having exhausted all applicable forms of vacation, annual leave or
14 other leave authorized by the employer, and not receiving compensation from the
15 employer because of orders issued from a branch of the United States Armed Forces or
16 from the Oklahoma National Guard, mobilizing or deploying the member, in a manner
17 that requires the member to be absent from employment with a participating employer.
18 "Eligible military service" shall be exclusive of periods of time the member is absent
19 solely for education, for the purpose of professional military education, military rank or
20 military grade progression, or for initial military entrance training, whether as an
21 enlisted person or a commissioned officer.

1 B. Notwithstanding any other provision of law to the contrary, for eligible military
2 service performed by a member on or after the effective date of this act, a member shall
3 receive service credit for any period of time during which the member performed the
4 eligible military service.

5 C. For periods of eligible military service the employee contributions applicable to
6 the period of such service shall be paid from the Military Service Credit Contribution
7 Payment Fund created pursuant to Section 5 of this act. Employee contributions shall be
8 paid to the System for the entire period during which the absent member was mobilized
9 or deployed pursuant to valid orders from the military authority responsible for military
10 service of the branch of the United States Armed Forces in which the absent member was
11 either an enlisted member or an officer.

12 D. The System may prescribe rules for the documentation of the authenticity of
13 such orders and for documentation of the period of service for which the service credit
14 authorized by this subsection is provided.

15 E. Employee contributions shall be made at the applicable rate for the period of the
16 absence using the member's salary during the last period the member was actively
17 performing the job duties associated with membership in the System or the salary in
18 effect during the last month the member was employed, but during which the member
19 was using applicable annual or other leave and for which the member was paid the
20 member's full salary, whichever salary amount is greater.

1 F. The payment to the System shall be made within thirty (30) days of the date the
2 member returns to active and paid employment with the participating employer and
3 requests the service credit authorized by this section.

4 G. The maximum period of service credit authorized by this section shall be five (5)
5 years.

6 SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 1005 of Title 62, unless there is created a duplication in numbering,
8 reads as follows:

9 A. There is hereby created in the State Treasury the "Military Service Credit
10 Contribution Payment Fund". The fund shall be subject to legislative appropriations and
11 shall consist of all monies appropriated or dedicated to the fund as provided by law.

12 B. The fund shall be used for purposes of making employee contributions for
13 members of the Oklahoma Firefighters Pension and Retirement System, the Oklahoma
14 Police Pension and Retirement System, and the Oklahoma Law Enforcement Retirement
15 System in accordance with the requirements of law providing for payment of such
16 contributions for periods of qualifying military service.

17 C. Payments from the fund shall be made in the manner provided by law for
18 expenditures of other public funds upon warrants issued by the State Treasurer.

19 SECTION 6. AMENDATORY 68 O.S. 2001, Section 1353, as last amended by
20 Section 17, Chapter 44, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006,
21 Section 1353), is amended to read as follows:

22 Section 1353. Purpose of Article - Apportionment of Revenues.

1 It is hereby declared to be the purpose of the Oklahoma Sales Tax Code to provide
2 funds for the financing of the program provided for by the Oklahoma Social Security Act
3 and to provide revenues for the support of the functions of the state government of
4 Oklahoma, and for this purpose it is hereby expressly provided that, revenues derived
5 pursuant to the provisions of the Oklahoma Sales Tax Code shall be apportioned as
6 follows:

7 1. The following amounts shall be paid to the State Treasurer to be placed to the
8 credit of the General Revenue Fund to be paid out pursuant to direct appropriation by
9 the Legislature:

10 a. for the:

11 (1) fiscal year ending June 30, 2008, the first Two Hundred
12 Seventy-five Thousand Dollars (\$275,000.00) shall be
13 apportioned to the Military Service Credit Contribution
14 Payment Fund created pursuant to Section 5 of this act,

15 (2) fiscal year ending June 30, 2009, and for each fiscal year
16 thereafter, there shall be apportioned to the Military Service
17 Credit Contribution Payment Fund created pursuant to Section
18 5 of this act an amount necessary for the balance in the Fund to
19 equal not more than Five Hundred Thousand Dollars
20 (\$500,000.00), but never less than Two Hundred Seventy-five
21 Thousand Dollars (\$275,000.00),

b. after the apportionment required by subparagraph a of this paragraph, the remaining amounts shall be apportioned to the General Revenue Fund of the State Treasury as prescribed by this paragraph as follows:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%
FY 2008 and each fiscal year thereafter	83.61%

2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-hundredths percent (10.42%), shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education and for FY 2006 and each fiscal year thereafter, ten and forty-six one hundredths percent (10.46%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education;

3. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%

1 declared to exist, by reason whereof this act shall take effect and be in full force from and
2 after its passage and approval.

3 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND
4 FINANCIAL SERVICES, dated 03-06-07 - DO PASS, As Amended and Coauthored.