

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1016 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Jeff Hickman _____

Adopted: _____

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1016

By: Paddack, Ellis,
Stanislowski, Mazzei and
Ford of the Senate

7 and

8 Hickman of the House

9
10 PROPOSED COMMITTEE SUBSTITUTE

11 [public finance - Oklahoma Pension Legislation
12 Actuarial Analysis Act -
13 effective date]

14
15
16
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY Section 3, Chapter 292, O.S.L.
19 2006, as last amended by Section 32, Chapter 3, O.S.L. 2008 (62 O.S.
20 Supp. 2009, Section 3103), is amended to read as follows:

21 Section 3103. As used in the Oklahoma Pension Legislation
22 Actuarial Analysis Act:

23 1. "Amendment" means any amendment, including a substitute
24 bill, made to a retirement bill by any committee of the House or

1 Senate, any conference committee of the House or Senate or by the
2 House or Senate;

3 2. "RB number" means that number preceded by the letters "RB"
4 assigned to a retirement bill by the respective staffs of the
5 Oklahoma State Senate and the Oklahoma House of Representatives when
6 the respective staff office prepares a retirement bill for a member
7 of the Legislature;

8 3. "Legislative Actuary" means the firm or entity that enters
9 into a contract with the Legislative Service Bureau pursuant to
10 Section 452.15 of Title 74 of the Oklahoma Statutes to provide the
11 actuarial services and other duties provided for in the Oklahoma
12 Pension Legislation Actuarial Analysis Act;

13 4. "Nonfiscal amendment" means an amendment to a retirement
14 bill having a fiscal impact, which amendment does not change any
15 factor of an actuarial investigation specified in subsection A of
16 Section 3109 of this title;

17 5. "Nonfiscal retirement bill" means a retirement bill which
18 does not affect the cost or funding factors of a retirement system
19 or a retirement bill which affects such factors only in a manner
20 which does not:

21 a. grant a benefit increase under the retirement system
22 affected by the bill except for cost-of-living
23 adjustments provided to retirees of the retirement
24 system, if the increase in actuarial accrued liability

1 from the increase does not exceed the cumulative
2 increase in actuarial accrued liability already fully
3 reflected in its liabilities by the retirement system
4 from an actuarial assumption of a cost-of-living
5 adjustment of ~~an existing retirement system~~ the
6 Oklahoma Public Employees Retirement System, the
7 Uniform Retirement System for Justices and Judges, the
8 Oklahoma Firefighters Pension and Retirement System,
9 the Oklahoma Police Pension and Retirement System and
10 the Oklahoma Law Enforcement Retirement System which
11 assumption was established by ~~the~~ such retirement
12 system as of December 31, 2006, or for the Teachers'
13 Retirement System of Oklahoma, the cost-of-living
14 adjustment shall equal the following percentages:

- 15 (1) one and one-quarter percent (1.25%) for any cost-
16 of-living adjustment effective on July 1, 2012,
- 17 (2) one and one-quarter percent (1.25%) for any cost-
18 of-living adjustment effective on July 1, 2013,
- 19 (3) one and one-half percent (1.5%) for any cost-of-
20 living adjustment effective on July 1, 2014,
- 21 (4) one and one-half percent (1.5%) for any cost-of-
22 living adjustment effective on July 1, 2015,
- 23 (5) one and one-half percent (1.5%) for any cost-of-
24 living adjustment effective on July 1, 2016,

1 (6) one and one-half percent (1.5%) for any cost-of-
2 living adjustment effective on July 1, 2017,

3 (7) one and three-quarters percent (1.75%) for any
4 cost-of-living adjustment effective on July 1,
5 2018,

6 (8) one and three-quarters percent (1.75%) for any
7 cost-of-living adjustment effective on July 1,
8 2019,

9 (9) one and three-quarters percent (1.75%) for any
10 cost-of-living adjustment effective on July 1,
11 2020,

12 (10) one and three-quarters percent (1.75%) for any
13 cost-of-living adjustment effective on July 1,
14 2021, and

15 (11) two percent (2%) for any cost-of-living
16 adjustment effective on July 1, 2022, or upon the
17 July 1 date of any succeeding year upon which a
18 subsequently enacted cost-of-living adjustment
19 becomes effective,

20 or which shall not exceed two percent (2%) annually on
21 a cumulative basis for a retirement system created on
22 or after January 1, 2006, which bill shall
23 specifically identify such cost-of-living increase,
24

1 b. create an actuarial accrued liability for or increase
2 the actuarial accrued liability of the retirement
3 system affected by the bill, or

4 c. increase the normal cost of the retirement system
5 affected by the bill except as otherwise provided by
6 subparagraph a of this paragraph.

7 A nonfiscal retirement bill shall include any retirement bill that
8 has as its sole purpose the appropriation or distribution or
9 redistribution of monies in some manner to a retirement system for
10 purposes of reducing the unfunded liability of such system or the
11 earmarking of a portion of the revenue from a tax to a retirement
12 system or increasing the percentage of the revenue earmarked from a
13 tax to a retirement system.

14 6. "Reduction in cost amendment" means an amendment to a
15 retirement bill having a fiscal impact which reduces the cost of the
16 bill as such cost is determined by the actuarial investigation for
17 the bill prepared pursuant to Section 3109 of this title;

18 7. "Retirement bill" means any bill or joint resolution
19 introduced or any bill or joint resolution amended by a member of
20 the Oklahoma Legislature which creates or amends any law directly
21 affecting a retirement system. A retirement bill shall not mean a
22 bill or resolution that impacts the revenue of any state tax in
23 which a portion of the revenue generated from such tax is earmarked
24 for the benefit of a retirement system;

1 8. "Retirement bill having a fiscal impact" means any
2 retirement bill creating or establishing a retirement system and any
3 other retirement bill other than a nonfiscal retirement bill; and

4 9. "Retirement system" means the Teachers' Retirement System of
5 Oklahoma, the Oklahoma Public Employees Retirement System, the
6 Uniform Retirement System for Justices and Judges, the Oklahoma
7 Firefighters Pension and Retirement System, the Oklahoma Police
8 Pension and Retirement System, the Oklahoma Law Enforcement
9 Retirement System, or a retirement system established after January
10 1, 2006.

11 SECTION 2. AMENDATORY Section 11, Chapter 292, O.S.L.
12 2006, as amended by Section 3, Chapter 186, O.S.L. 2007 (62 O.S.
13 Supp. 2009, Section 3111), is amended to read as follows:

14 Section 3111. A. Any retirement bill having a fiscal impact
15 which is enacted by the Legislature and which is approved by the
16 Governor or which otherwise becomes law shall become effective on
17 the first day of July immediately following the regular session
18 during which it was enacted, but only if the enacted bill is
19 concurrently funded as provided by this section and only if the bill
20 is approved as an emergency measure by a vote of two-thirds (2/3) of
21 all members elected to each House. If an enacted bill does not
22 receive a two-thirds (2/3) vote of all members, the law shall become
23 effective on the first day of September immediately following the
24 regular session during which it was enacted. If an enacted bill,

1 including one approved by the Governor, is not concurrently funded
2 as required by this section, then such bill shall not become
3 effective as law.

4 B. When a retirement bill having a fiscal impact amends a
5 retirement system having employer contributions funded from
6 appropriations by the Legislature, then appropriations for the first
7 fiscal year of effectiveness of the bill, after it becomes law, must
8 include funds to pay the amount determined by the actuarial
9 investigation under paragraph 5 of subsection A of Section 3109 of
10 this title. It is the intent of the Legislature that future
11 appropriations for subsequent fiscal years must include an amount
12 necessary to maintain the actuarial soundness of the retirement
13 system in accordance with the findings of the actuarial
14 investigation. Any limitation on the rate of employer contributions
15 that may be included in a law which is the source of authority for a
16 retirement system affected by this subsection shall be amended to
17 the extent necessary to comply with the requirements of this
18 subsection.

19 C. When a retirement bill having a fiscal impact amends a
20 retirement system having employer contributions funded wholly or
21 partially from the funds of a political subdivision, that political
22 subdivision shall have a duty to produce funds as necessary to pay
23 all or its proportionate share of the amount determined by actuarial
24

1 investigation under paragraph 5 of subsection A of Section 3109 of
2 this title.

3 D. When a retirement bill having a fiscal impact creates a new
4 retirement system, then employer contributions in conformity with
5 paragraph 5 of subsection A of Section 3109 of this title must be
6 made to the retirement system either by direct appropriations by the
7 Legislature or by another source of employer contributions
8 specifically provided for in the bill creating the new retirement
9 system.

10 E. For purposes of determining the concurrent funding
11 requirement imposed pursuant to this section with respect to a
12 fiscal retirement bill, if a bill to provide a cost-of-living
13 adjustment to the retirees of the applicable retirement system would
14 have the effect of increasing the liabilities of the retirement
15 system in excess of the liabilities already reflected in the
16 retirement system's actuarial assumption for such cost-of-living
17 adjustment or for purposes of the Teachers' Retirement System of
18 Oklahoma, grants a cost-of-living adjustment which exceeds the
19 applicable percentage, as defined in Section 3103 of this title,
20 only the amount of the excess liabilities not already included in
21 the applicable actuarial assumption for the system or the amount in
22 excess of the applicable percentage shall require concurrent
23 funding.

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1 SECTION 3. This act shall become effective November 1, 2010.

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