

STATE OF OKLAHOMA

1st Session of the 52nd Legislature (2009)

HOUSE BILL 1832

By: Sullivan

AS INTRODUCED

An Act relating to The Uniform Retirement System for Justices and Judges; amending 20 O.S. 2001, Section 1103.1, as last amended by Section 7, Chapter 536, O.S.L. 2004 (20 O.S. Supp. 2008, Section 1103.1), which relates to The Uniform Retirement System for Justices and Judges; modifying the employer contribution rates; modifying the Board of Trustees' ability to raise contribution rates; amending 20 O.S. 2001, Sections 1307, as last amended by Section 5, Chapter 443, O.S.L. 2004 and 1308, as amended by Section 6, Chapter 443, O.S.L. 2004 (20 O.S. Supp. 2008, Sections 1307 and 1308), which relate to reports and the State Judicial Retirement Fund and the State Judicial Fund; requiring court clerk to report amount of money transferred to the State Judicial Retirement Fund; requiring court clerk to transmit certain percentage into State Judicial Retirement Fund; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 20 O.S. 2001, Section 1103.1, as last amended by Section 7, Chapter 536, O.S.L. 2004 (20 O.S. Supp. 2008, Section 1103.1), is amended to read as follows:

Section 1103.1 A. ~~On and after January 1, 2001, the Administrative Director of the Courts, in addition to the members'~~

~~contributions, shall transfer monthly amounts for deposit in the State Judicial Retirement Fund as set out in Section 1309 of this title equal to two percent (2.0%) of the monthly total actual paid gross salaries of the members of the Uniform Retirement System for Justices and Judges. Effective July 1, 2005 2009, such amounts transferred by the Administrative Director of the Courts shall be as follows:~~

| Fiscal Year Ending | Percentage of Contribution |
|---|---------------------------------------|
| June 30, 2006 | 3.0% |
| June 30, 2007 | 4.0% |
| June 30, 2008 | 5.5% |
| June 30, 2009 | 7.0% |
| June 30, 2010 | 8.5% |
| June 30, 2011 | 10.0% |
| June 30, 2012 | 11.5% |
| June 30, 2013 | 13.0% |
| June 30, 2014 | 14.5% |
| June 30, 2015 | 16.0% |
| June 30, 2016 | 17.5% |
| June 30, 2017 | 19.0% |
| June 30, 2018 | 20.5% |
| June 30, 2019 and thereafter | 22.0% |

~~B. Regardless of the contribution rate as set out in subsection A of this section, transfer monthly amounts for deposit in the State~~

1 Judicial Retirement Fund to pay the employer contributions for all
2 active members of The Uniform Retirement System for Justices and
3 Judges, except the judges of the Court of Criminal Appeals and
4 judges of the Workers' Compensation Court. The appropriate
5 administrative staff of the Court of Criminal Appeals and the
6 Workers' Compensation Court shall be responsible to remit the
7 employer contributions for the judges of those courts. It is the
8 intent of the Oklahoma Legislature that the State Judicial
9 Retirement Fund ~~shall not be allowed to~~ should have a funded ratio
10 ~~below~~ at or near one hundred percent (100%) or to be receiving
11 sufficient contributions to amortize any unfunded liability of the
12 Fund according to the amortization schedule adopted by the Board of
13 Trustees of the Oklahoma Public Employees Retirement System. The
14 Board of Trustees of the Oklahoma Public Employees Retirement System
15 is authorized to establish and adjust ~~such~~ the employer contribution
16 rate annually, upon the consideration of an actuarial
17 recommendation, ~~to prevent a funded ratio below one hundred percent~~
18 ~~(100%)~~ at the actuarially required employer contribution rate. If a
19 possible increase in any given year to the full actuarially required
20 rate is in excess of three percent (3%) of compensation, the Board
21 may adopt a plan to raise the contribution rates over a period of up
22 to five (5) years until reaching the full actuarially required rate.
23 The Board may consider the availability of funds to the
24 Administrative Director of the Courts, the Court of Criminal Appeals

1 and the Workers' Compensation Court, in establishing the annual
2 contribution rate. The Board of Trustees shall make an annual
3 report concerning its decision ~~to increase~~ establishing the
4 contribution rate. The report shall be distributed to the Governor,
5 the Chief Justice of the Supreme Court, the Legislative Service
6 Bureau, the Speaker of the House of Representatives and the
7 President Pro Tempore of the Senate.

8 C. B. The Administrative Director of the Courts and the
9 appropriate administrative staff of the Court of Criminal Appeals
10 and the Workers' Compensation Court shall remit to the System all
11 required retirement contributions due on a monthly basis. All
12 required court and employee contributions and supporting
13 documentation are due and must be received by the System on or
14 before the fifteenth day of the month following the month for which
15 the contributions are due. Court and employee contributions
16 remitted to the System after thirty (30) days from the above due
17 date shall be subject to a monthly late charge of one and one-half
18 percent (1.5%) of the unpaid balance to be paid by the
19 Administrative Director of the Courts or the appropriate
20 administrative staff of the Court of Criminal Appeals and the
21 Workers' Compensation Court to the System.

22 SECTION 2. AMENDATORY 20 O.S. 2001, Section 1307, as
23 last amended by Section 5, Chapter 443, O.S.L. 2004 (20 O.S. Supp.
24 2008, Section 1307), is amended to read as follows:

1 Section 1307. A. Within thirty (30) days after the end of each
2 quarter of every fiscal year, the court clerk of each county shall
3 report to the Administrative Director of the Courts, in the manner
4 prescribed by law for the reporting of information by agencies to
5 the Office of State Finance pursuant to Section 41.1 et seq. of
6 Title 62 of the Oklahoma Statutes, the:

7 1. Gross receipts to the court fund during the preceding
8 quarter;

9 2. Total amount of expenses paid during the preceding quarter,
10 including, but not limited to, bond and interest expense and
11 payments to the county general fund; and

12 3. Total amount of money transferred or to be transferred to
13 the State Judicial Revolving Fund and State Judicial Retirement Fund
14 for the entire past fiscal year as set forth in Section 1308 of this
15 title.

16 B. The Administrative Director of the Courts shall subsequently
17 report the information required by subparagraphs 1 and 2 of
18 subsection A of this section within ten (10) days after receipt of
19 the information to the Office of State Finance in a manner
20 consistent with the policies and procedures of the Office of State
21 Finance for reporting by state agencies pursuant to the provisions
22 of Section 41.1 et seq. of Title 62 of the Oklahoma Statutes.

23 C. The information required by this section for reporting by
24 court clerks pursuant to subsection A of this section and for
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1 reporting by the Administrative Director of the Courts pursuant to
2 subsection B of this section shall be in a form that separates
3 fines, fees, forfeitures and other sources of revenue. The
4 information shall also indicate the amount of receipts used for
5 local court expenses and the amount deposited into the State
6 Judicial Revolving Fund.

7 D. A ceiling on the amount of local court funds to be allocated
8 by the Chief Justice of the Supreme Court for the local court
9 budgets shall be established in the annual appropriation to the
10 courts.

11 E. Not later than December 1 and February 1 of each year, the
12 Administrative Director of the Courts shall provide an estimate of
13 the amount of funds to accrue to the State Judicial Revolving Fund
14 in the subsequent fiscal year.

15 SECTION 3. AMENDATORY 20 O.S. 2001, Section 1308, as
16 amended by Section 6, Chapter 443, O.S.L. 2004 (20 O.S. Supp. 2008,
17 Section 1308), is amended to read as follows:

18 Section 1308. A. Clerks in counties having a population of
19 less than seventy thousand (70,000) must transmit each quarter for
20 deposit in the State Judicial Revolving Fund the amount by which the
21 receipts deposited in the court fund for the quarter, including the
22 interest earned on the court fund, exceeds the expenses for the
23 quarter, provided the court clerk shall retain from the excess
24 amount a sum equal to twenty percent (20%) of the expenses for the
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1 quarter. Clerks in counties having a population of seventy thousand
2 (70,000) or more shall transmit each month for deposit in the State
3 Judicial Revolving Fund the amount by which the receipts deposited
4 in the court fund for the reporting period for the report required
5 by Section 1307 of this title, including interest earned on the
6 court fund, exceeds the expenses for the reporting period, provided
7 the clerk shall retain from the excess amount a sum equal to twenty
8 percent (20%) of the expenses for the reporting period.

9 B. The court clerk must transmit to the Administrative Director
10 of the Courts ten percent (10%) of the amount collected in the court
11 fund for the applicable reporting period in subsection A of this
12 section, to be used to pay the employer contributions into the State
13 Judicial Retirement Fund. Each month the Administrative Director of
14 the Court shall remit a portion of these funds to the Court of
15 Criminal Appeals and the Workers' Compensation Court to be used by
16 those courts to pay employer contributions into the State Judicial
17 Retirement Fund. The amount paid shall be an amount sufficient to
18 pay each court's liability for employer contributions less the
19 amount those courts have been appropriated by the Legislature for
20 that purpose. If the funds received under this subsection from the
21 court funds after making these distributions to the Court of
22 Criminal Appeals and the Workers' Compensation Court, are
23 insufficient to pay employer contributions, the Administrative
24 Director shall use other available funds to pay the remaining

1 employer contributions owed to the State Judicial Retirement Fund.
2 If at the end of any fiscal year, the amount of money received under
3 this subsection from court funds is in excess of the amount needed
4 to pay the employer contributions, the Administrative Director shall
5 report the excess amount to the Office of State Finance on or before
6 the deadline to file budget requests, and shall also report the
7 excess amount to the chairs of the Senate and House appropriations
8 committees.

9 C. Within thirty (30) days after the end of each fiscal year,
10 the court clerk, in addition to the other amounts due hereunder,
11 shall transmit to the Supreme Court for deposit in the State
12 Judicial Revolving Fund an amount equal to the gross receipts for
13 the entire past fiscal year less the total amount of expenses, as
14 defined in subsection A of Section 1307 of this title, and less the
15 transfers made for the past fiscal year.

16 SECTION 4. This act shall become effective July 1, 2009.

17 SECTION 5. It being immediately necessary for the preservation
18 of the public peace, health and safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

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22 52-1-6543 MAH 01/14/09
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January 14, 2009

Representative Daniel Sullivan
Room 435

Re: RBH No. 6543

RBH No. 6543 changes how funding for Uniform Retirement System for Judges and Justices is obtained. The Employer contribution rate is tied to the actuarial funding rate.

RBH No. 6543 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

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