

STATE OF OKLAHOMA

1st Session of the 52nd Legislature (2009)

HOUSE BILL 2006

By: Morrissette

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, 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 1103.1, 1307 and 1308), which relate to funding and contributions; modifying provisions related to certain contributions; authorizing adjustment of employer contribution rates; providing for graduated increases based upon certain actuarially required contribution rate; modifying reporting requirements imposed upon court clerks; requiring transfer of certain amounts collected to Administrative Director of the Courts for payment of employer contribution amounts; providing for alternative sources of payment; providing for payment of excess contribution amounts; requiring reporting to the Office of State Finance; 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:~~

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

~~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. It is the intent of the Oklahoma Legislature that the State  
4 Judicial Retirement Fund ~~shall not be allowed to~~ should have a  
5 funded ratio ~~below~~ of one hundred percent (100%). The Board of  
6 Trustees of the Oklahoma Public Employees Retirement System is  
7 authorized to establish and adjust ~~such~~ the employer contribution  
8 rate annually, upon the consideration of an actuarial  
9 recommendation, ~~to prevent a funded ratio below one hundred percent~~  
10 ~~(100%)~~ at the actuarially required contribution rate. If a possible  
11 increase in any given year to the full actuarially required rate is  
12 in excess of three percent (3%) of compensation, the Board may adopt  
13 a plan to raise the contribution rates over a period of up to five  
14 (5) years until reaching the full actuarially required rate. The  
15 Board may consider the availability of funds to the Administrative  
16 Director of the Courts in establishing the annual contribution rate.  
17 The Board of Trustees shall make an annual report concerning its  
18 decision ~~to increase~~ establishing the contribution rate. The report  
19 shall be distributed to the Governor, the Chief Justice of the  
20 Supreme Court, the Legislative Service Bureau, the Speaker of the  
21 House of Representatives and the President Pro Tempore of the  
22 Senate.

23 C. B. The Administrative Director of the Courts shall remit to  
24 the System all required retirement contributions due on a monthly  
24

1 basis. All required court and employee contributions and supporting  
2 documentation are due and must be received by the System on or  
3 before the fifteenth day of the month following the month for which  
4 the contributions are due. Court and employee contributions  
5 remitted to the System after thirty (30) days from the above due  
6 date shall be subject to a monthly late charge of one and one-half  
7 percent (1.5%) of the unpaid balance to be paid by the  
8 Administrative Director of the Courts to the System.

9 SECTION 2. AMENDATORY 20 O.S. 2001, Section 1307, as  
10 last amended by Section 5, Chapter 443, O.S.L. 2004 (20 O.S. Supp.  
11 2008, Section 1307), is amended to read as follows:

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

18 1. Gross receipts to the court fund during the preceding  
19 quarter;

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

23 3. Total amount of money transferred or to be transferred to  
24 the State Judicial Revolving Fund and State Judicial Retirement Fund

1 for the entire past fiscal year as set forth in Section 1308 of this  
2 title.

3 B. The Administrative Director of the Courts shall subsequently  
4 report the information required by subparagraphs 1 and 2 of  
5 subsection A of this section within ten (10) days after receipt of  
6 the information to the Office of State Finance in a manner  
7 consistent with the policies and procedures of the Office of State  
8 Finance for reporting by state agencies pursuant to the provisions  
9 of Section 41.1 et seq. of Title 62 of the Oklahoma Statutes.

10 C. The information required by this section for reporting by  
11 court clerks pursuant to subsection A of this section and for  
12 reporting by the Administrative Director of the Courts pursuant to  
13 subsection B of this section shall be in a form that separates  
14 fines, fees, forfeitures and other sources of revenue. The  
15 information shall also indicate the amount of receipts used for  
16 local court expenses and the amount deposited into the State  
17 Judicial Revolving Fund.

18 D. A ceiling on the amount of local court funds to be allocated  
19 by the Chief Justice of the Supreme Court for the local court  
20 budgets shall be established in the annual appropriation to the  
21 courts.

22 E. Not later than December 1 and February 1 of each year, the  
23 Administrative Director of the Courts shall provide an estimate of  
24

1 the amount of funds to accrue to the State Judicial Revolving Fund  
2 in the subsequent fiscal year.

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

6 Section 1308. A. Clerks in counties having a population of  
7 less than seventy thousand (70,000) must transmit each quarter for  
8 deposit in the State Judicial Revolving Fund the amount by which the  
9 receipts deposited in the court fund for the quarter, including the  
10 interest earned on the court fund, exceeds the expenses for the  
11 quarter, provided the court clerk shall retain from the excess  
12 amount a sum equal to twenty percent (20%) of the expenses for the  
13 quarter. Clerks in counties having a population of seventy thousand  
14 (70,000) or more shall transmit each month for deposit in the State  
15 Judicial Revolving Fund the amount by which the receipts deposited  
16 in the court fund for the reporting period for the report required  
17 by Section 1307 of this title, including interest earned on the  
18 court fund, exceeds the expenses for the reporting period, provided  
19 the clerk shall retain from the excess amount a sum equal to twenty  
20 percent (20%) of the expenses for the reporting period.

21 B. The court clerk must transmit to the Administrative Director  
22 of the Courts ten percent (10%) of the amount collected in the court  
23 fund for the applicable reporting period in subsection A of this  
24 section, to be used to pay the employer contributions into the State

1 Judicial Retirement Fund. If the funds received under this  
2 subsection from the court funds are insufficient to pay employer  
3 contributions, the Administrative Director shall use other available  
4 funds. If at the end of any fiscal year, the amount received under  
5 this subsection is greater than the amount necessary to pay the  
6 employer contribution into the State Judicial Retirement Fund and to  
7 have a funded ratio of one hundred percent (100%), the  
8 Administrative Director shall report the excess amount to the Office  
9 of State Finance on or before the deadline to file budget requests,  
10 and shall also report the excess amount to the chairs of the Senate  
11 and House appropriations committees. After reporting the excess  
12 amount, the Administrative Director shall pay the excess amount to  
13 The Uniform Retirement System for Justices and Judges.

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

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

22 SECTION 5. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby  
24

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

3

4 52-1-6587 MAH 01/14/09

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

24

**THOMAS E. CUMMINS CONSULTING ACTUARY, INC.**  
2512 E. 71<sup>st</sup> Street, Suite D Tulsa, Oklahoma 74136  
(918) 492-9658 (918) 492-9659

---

January 15, 2009

Representative Richard Morrissette  
Room 321

Re: RBH No. 6587

RBH No. 6587 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. 6587 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA