

1 ENGROSSED SENATE AMENDMENT
TO

2 ENGROSSED HOUSE
BILL NO. 2319

By: McDaniel (Randy) of the
House

and

Anderson of the Senate

8 An Act relating to public retirement systems;
amending 11 O.S. 2011, Sections 50-109 and 50-110,
9 which relate to the Oklahoma Police Pension and
Retirement System; modifying employee contribution
10 rate; modifying employer contribution rate; amending
36 O.S. 2011, Section 312.1, which relates to the
11 apportionment of insurance premium tax revenue;
modifying apportionment of revenue to the Oklahoma
12 Police Pension and Retirement System; providing an
effective date; and declaring an emergency.

15 AMENDMENT NO. 1. Page 1, strike the title, enacting clause and
entire bill and insert

17 "[public retirement systems - Oklahoma Police
Pension and Retirement System - modifying
18 contribution rates - apportionment of insurance
premium tax revenue - effective date -
19 emergency]

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

22 SECTION 1. AMENDATORY 11 O.S. 2011, Section 50-104.2, is
23 amended to read as follows:

1 Section 50-104.2 A. The principal office of the System shall
2 be in Oklahoma City, Oklahoma. ~~The~~ Notwithstanding any statute or
3 rule to the contrary, the State Board, in accordance with its
4 fiduciary duty, is hereby authorized to ~~contract for~~ own and occupy
5 necessary office space in suitable quarters as the State Board deems
6 appropriate.

7 B. The State Board shall keep a record of all of its
8 proceedings, which shall be open for inspection at all reasonable
9 hours. A report including such information as the operation of the
10 System for the past fiscal year, including income, disbursements,
11 and the financial condition of the fund at the end of each fiscal
12 year and showing the valuation of its assets, investments, and
13 liabilities, shall be delivered to the Governor after the end of
14 each fiscal year but prior to October 1 of the next fiscal year and
15 made available to the members and participating municipalities.

16 C. The State Auditor and Inspector shall make an annual audit
17 of the accounts of the System. The audit shall be filed as soon
18 after the close of the fiscal year as practicable, in accordance
19 with the requirements for financial statement audits in Section 212A
20 of Title 74 of the Oklahoma Statutes.

21 SECTION 2. AMENDATORY 11 O.S. 2011, Section 50-109, is
22 amended to read as follows:
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1 Section 50-109. Any municipality participating in the System
2 shall appropriate funds, for the use and benefit of the System, as
3 provided in the following schedule:

4 1. Prior to July 1, 1991, a minimum of ten percent (10%) of the
5 actual paid base salary of each member of the System employed by the
6 municipality;

7 2. Beginning July 1, 1991, a minimum of ten and one-half
8 percent (10 1/2%) of the actual paid base salary of each member of
9 the System employed by the municipality;

10 3. Beginning July 1, 1992, a minimum of eleven percent (11%) of
11 the actual paid base salary of each member of the System employed by
12 the municipality;

13 4. Beginning July 1, 1993, a minimum of eleven and one-half
14 percent (11 1/2%) of the actual paid base salary of each member of
15 the System employed by the municipality;

16 5. Beginning July 1, 1994, a minimum of twelve percent (12%) of
17 the actual paid base salary of each member of the System employed by
18 the municipality;

19 6. Beginning July 1, 1995, a minimum of twelve and one-half
20 percent (12 1/2%) of the actual paid base salary of each member of
21 the System employed by the municipality; ~~and~~

22 7. Beginning July 1, 1996, through June 30, 2012, a minimum of
23 thirteen percent (13%) of the actual paid base salary of each member
24 of the System employed by the municipality; and

1 8. Beginning July 1, 2012, and for each fiscal year thereafter,
2 a minimum of fourteen percent (14%) of the actual paid base salary
3 of each member of the System employed by the municipality.

4 The sum appropriated shall be paid to the System within ten (10)
5 days following the payroll period on which the contribution is
6 based.

7 The state shall make such appropriation as is necessary to
8 assure the retirement benefits provided by the article.

9 SECTION 3. AMENDATORY 11 O.S. 2011, Section 50-110, is
10 amended to read as follows:

11 Section 50-110. A. Each member in the System shall contribute
12 to the System a minimum of ~~eight percent (8%)~~ nine percent (9%) of
13 the member's actual paid base salary.

14 At the option of the participating municipality, the
15 participating municipality may pay all or any part of the member's
16 required contribution. The sums contributed shall be paid to the
17 System as provided in this article within ten (10) days following
18 the payroll period on which the contributions are based. Amounts
19 deducted from the salary of a member and not paid to the System
20 after thirty (30) days from each ending payroll date shall be
21 subject to a monthly late charge of one and one-half percent (1
22 1/2%) of the unpaid balance to be paid by the municipality to the
23 System. All funds received by a participating municipality for
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1 police retirement purposes shall be forwarded to the State Board for
2 credit to the Fund.

3 B. Each municipality shall pick up under the provisions of
4 Section 414(h)(2) of the Internal Revenue Code of 1986 and pay the
5 contribution which the member is required by law to make to the
6 System for all compensation earned after December 31, 1988.

7 Although the contributions so picked up are designated as member
8 contributions, such contributions shall be treated as contributions
9 being paid by the municipality in lieu of contributions by the
10 member in determining tax treatment under the Internal Revenue Code
11 of 1986 and such picked up contributions shall not be includable in
12 the gross income of the member until such amounts are distributed or
13 made available to the member or the beneficiary of the member. The
14 member, by the terms of this System, shall not have any option to
15 choose to receive the contributions so picked up directly and the
16 picked up contributions must be paid by the municipality to the
17 System.

18 Member contributions which are picked up shall be treated in the
19 same manner and to the same extent as member contributions made
20 prior to the date on which member contributions were picked up by
21 the municipality. Member contributions so picked up shall be
22 included in gross salary for purposes of determining benefits and
23 contributions under the System.

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1 The municipality shall pay the member contributions from the
2 same source of funds used in paying salary to the member, by
3 effecting an equal cash reduction in gross salary of the member.

4 SECTION 4. AMENDATORY 36 O.S. 2011, Section 312.1, is
5 amended to read as follows:

6 Section 312.1 A. For the fiscal year ending June 30, 2004, the
7 Insurance Commissioner shall report and disburse one hundred percent
8 (100%) of the fees and taxes collected under Section 624 of this
9 title to the State Treasurer to be deposited to the credit of the
10 Education Reform Revolving Fund created pursuant to Section ~~41.29b~~
11 34.89 of Title 62 of the Oklahoma Statutes. The Insurance
12 Commissioner shall keep an accurate record of all such funds and
13 make an itemized statement and furnish same to the State Auditor and
14 Inspector, as to all other departments of this state. The report
15 shall be accompanied by an affidavit of the Insurance Commissioner
16 or the Chief Clerk of such office certifying to the correctness
17 thereof.

18 B. For the fiscal year beginning July 1, 2006, and for each
19 fiscal year thereafter, the Insurance Commissioner shall apportion
20 an amount of the taxes and fees received from Section 624 of this
21 title, which shall be at least One Million Two Hundred Fifty
22 Thousand Dollars (\$1,250,000.00) each year, but which shall also be
23 computed on an annual basis by the Commissioner as the amount of
24 insurance premium tax revenue loss attributable to the provisions of

1 subsection H of Section 625.1 of this title and increased if
2 necessary to reflect the annual computation, and which shall be
3 apportioned before any other amounts, to the following pension
4 systems and in the following amounts:

5 1. Sixty-five percent (65%) to the Oklahoma Firefighters
6 Pension and Retirement Fund in the manner provided for in Sections
7 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes;

8 2. Twenty-six percent (26%) to the Oklahoma Police Pension and
9 Retirement System pursuant to the provisions of Sections 50-101
10 through 50-136 of Title 11 of the Oklahoma Statutes; and

11 3. Nine percent (9%) to the Law Enforcement Retirement Fund.

12 C. After the apportionment required by subsection B of this
13 section, for the fiscal years beginning July 1, 2004, and ending
14 June 30, 2009, the Insurance Commissioner shall report and disburse
15 all of the fees and taxes collected under Section 624 of this title
16 and Section 2204 of this title, and the same are hereby apportioned
17 as follows:

18 1. Thirty-four percent (34%) of the taxes collected on premiums
19 shall be allocated and disbursed for the Oklahoma Firefighters
20 Pension and Retirement Fund, in the manner provided for in Sections
21 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes;

22 2. Seventeen percent (17%) of the taxes collected on premiums
23 shall be allocated and disbursed to the Oklahoma Police Pension and
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1 Retirement System pursuant to the provisions of Sections 50-101
2 through 50-136 of Title 11 of the Oklahoma Statutes;

3 3. Six and one-tenth percent (6.1%) of the taxes collected on
4 premiums shall be allocated and disbursed to the Law Enforcement
5 Retirement Fund; and

6 4. All the balance and remainder of the taxes and fees provided
7 in Section 624 of this title shall be paid to the State Treasurer to
8 the credit of the General Revenue Fund of the state to provide
9 revenue for general functions of state government. The Insurance
10 Commissioner shall keep an accurate record of all such funds and
11 make an itemized statement and furnish same to the State Auditor and
12 Inspector, as to all other departments of this state. The report
13 shall be accompanied by an affidavit of the Insurance Commissioner
14 or the Chief Clerk of such office certifying to the correctness
15 thereof.

16 D. After the apportionment required by subsection B of this
17 section, for the fiscal year ending June 30, ~~2010~~ 2013, and for each
18 fiscal year thereafter the Insurance Commissioner shall report and
19 disburse all of the fees and taxes collected under Section 624 of
20 this title and Section 2204 of this title, and the same are hereby
21 apportioned as follows:

22 1. Thirty-four percent (34%) of the taxes collected on premiums
23 shall be allocated and disbursed for the Oklahoma Firefighters
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1 Pension and Retirement Fund, in the manner provided for in Sections
2 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes;

3 2. ~~Fourteen percent (14%)~~ Fifteen percent (15%) of the taxes
4 collected on premiums shall be allocated and disbursed to the
5 Oklahoma Police Pension and Retirement System pursuant to the
6 provisions of Sections 50-101 through 50-136 of Title 11 of the
7 Oklahoma Statutes;

8 3. Five percent (5%) of the taxes collected on premiums shall
9 be allocated and disbursed to the Law Enforcement Retirement Fund;
10 and

11 4. All the balance and remainder of the taxes and fees provided
12 in Section 624 of this title shall be paid to the State Treasurer to
13 the credit of the General Revenue Fund of the state to provide
14 revenue for general functions of state government. The Insurance
15 Commissioner shall keep an accurate record of all such funds and
16 make an itemized statement and furnish same to the State Auditor and
17 Inspector, as to all other departments of this state. The report
18 shall be accompanied by an affidavit of the Insurance Commissioner
19 or the Chief Clerk of such office certifying to the correctness
20 thereof.

21 E. The disbursements provided for in subsections A, B, C and D
22 of this section shall be made monthly. The Insurance Commissioner
23 shall report annually to the Governor, the Speaker of the House of
24 Representatives, the President Pro Tempore of the Senate and the

1 State Auditor and Inspector, the amounts collected and disbursed
2 pursuant to this section.

3 F. Notwithstanding any other provision of law to the contrary,
4 no tax credit authorized by law enacted on or after July 1, 2008,
5 which may be used to reduce any insurance premium tax liability
6 shall be used to reduce the amount of insurance premium tax revenue
7 apportioned to the Oklahoma Firefighters Pension and Retirement
8 System, the Oklahoma Police Pension and Retirement System or the
9 Oklahoma Law Enforcement Retirement System.

10 SECTION 5. This act shall become effective July 1, 2012.

11 SECTION 6. It being immediately necessary for the preservation
12 of the public peace, health and safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval."

15 Passed the Senate the 19th day of April, 2012.

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Presiding Officer of the Senate

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19 Passed the House of Representatives the ____ day of _____,
20 2012.

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Presiding Officer of the House
of Representatives

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