

BILL SUMMARY

MEASURE: HB 1221, as introduced

AUTHOR: Representative McCullough

SUBJECT: Oklahoma Firefighters Pension and Retirement System and
Oklahoma Police Pension and Retirement System

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For the purposes of the entire detailed bill summary, the term 'New Hire' refers to a person joining a system on or after November 1, 2011. The term 'Current Member' refers to a member employed and participating in a system prior to November 1, 2011.

Sections 1 through 6 apply to the Oklahoma Firefighters Pension and Retirement System.

Section 1. Amendatory. Modifies the definition of "normal retirement date". In order to receive unreduced payments of the full accrued retirement benefit, Current Members must complete 20 years of credited service and New Hires must complete 25 years of credited service.

This section also changes the multiplier used for calculating a member's accrued retirement benefit. The multiplier equals 2.5% for Current Members and 2% for New Hires. The general calculation remains (years of credited service * multiplier * final average salary).

Section 2. Amendatory. Volunteer firefighters that are Current Members may receive a vested benefit after completing 10 years of credited service. A volunteer firefighter who is a New Hire will vest after completing 12.5 years of credited service. The volunteer firefighter is entitled to the monthly pension benefit on the date that the member would have reached 25 years of credited service had the member's service continued uninterrupted.

Section 3. Amendatory. This section discontinues the Oklahoma Firefighters Deferred Option Plan for New Hires. Additionally, this section clarifies that New Hires may not utilize the back drop provision.

Section 4. Amendatory. Paid firefighters that are Current Members may receive a vested benefit after completing 10 years of credited service. A firefighter who is a New Hire will vest after completing 12.5 years of credited service. Current Members and New Hires are eligible to receive the vested benefit, calculated with the applicable multiplier, upon reaching their respective normal retirement date.

Section 5. Amendatory. This section stipulates that the required employee contribution for paid firefighters that are Current Members equals 8% of actual paid gross salary and the required employee contribution for paid firefighters that are New Hires equals 12% of actual paid gross salary.

Section 6. Amendatory. This section clarifies that no member shall have to retire due to a certain age restriction prior to achieving their applicable normal retirement date.

Sections 7 through 10 apply to the Oklahoma Police Pension and Retirement System.

Section 7. Amendatory. Modifies the definition of "normal retirement date". In order to receive the unreduced payments of the full accrued retirement benefit, Current Members must complete 20 years of credited service and New Hires must complete 25 years of credited service.

This section also changes the multiplier used for calculating a member's accrued retirement benefit. The multiplier equals 2.5% for Current Members and 2% for New Hires. The general calculation remains (years of credited service * multiplier * final average salary).

Section 8. Amendatory. This section stipulates that the minimum required employee contribution for Current Members equals 8% of actual paid base salary. The minimum required employee contribution for New Hires equals 12% of actual paid base salary.

Section 9. Amendatory. Current Members may receive a vested benefit after completing 10 years of credited service and New Hires may receive a vested benefit after completing 12.5 years of credited service. Current Members and New Hires are eligible to receive the vested benefit, calculated with the applicable multiplier, upon reaching their respective normal retirement date.

Section 10. Amendatory. This section discontinues the Oklahoma Police Deferred Option Plan for New Hires. Additionally, this section clarifies that New Hires may not utilize the back drop provision.