

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB4123 \_\_\_\_\_  
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**

Adopted: \_\_\_\_\_

Amendment submitted by: Avery Frix \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

PROPOSED COMMITTEE  
SUBSTITUTE  
FOR  
HOUSE BILL NO. 4123

By: Frix

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to public retirement systems;  
amending 62 O.S. 2021, Section 3103, which relates to  
the Oklahoma Pension Legislation Actuarial Analysis  
Act; modifying definition; amending 74 O.S. 2021,  
Section 914, which relates to retirement; modifying  
period of time required with respect to post-  
retirement employment; providing effective dates;  
providing for contingent effective dates based on  
outcome of approval of the emergency clause; and  
declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, is  
amended to read as follows:

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

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

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

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

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

15       5. "Nonfiscal retirement bill" means a retirement bill:

16           a. which does not affect the cost or funding factors of a  
17 retirement system,

18           b. which affects such factors only in a manner which does  
19 not:

20                (1) grant a benefit increase under the retirement  
21 system affected by the bill,

22                (2) create an actuarial accrued liability for or  
23 increase the actuarial accrued liability of the  
24 retirement system affected by the bill, or

- 1           (3) increase the normal cost of the retirement system  
2           affected by the bill,
- 3       c. which authorizes the purchase by an active member of  
4       the retirement system, at the actuarial cost for the  
5       purchase as computed pursuant to the statute in effect  
6       on the effective date of the measure allowing such  
7       purchase, of years of service for purposes of reaching  
8       a normal retirement date in the applicable retirement  
9       system, but which cannot be used in order to compute  
10       the number of years of service for purposes of  
11       computing the retirement benefit for the member,
- 12       d. which provides for the computation of a service-  
13       connected disability retirement benefit for members of  
14       the Oklahoma Law Enforcement Retirement System  
15       pursuant to Section 2-305 of Title 47 of the Oklahoma  
16       Statutes if the members were unable to complete twenty  
17       (20) years of service as a result of the disability,
- 18       e. which requires membership in the defined benefit plan  
19       authorized by Section 901 et seq. of Title 74 of the  
20       Oklahoma Statutes for persons whose first elected or  
21       appointed service occurs on or after November 1, 2018,  
22       if such persons had any prior service in the Oklahoma  
23       Public Employees Retirement System prior to November  
24       1, 2015,

1 f. which provides for a one-time increase in retirement  
2 benefits if the increase in retirement benefits is not  
3 a permanent increase in the gross annual retirement  
4 benefit payable to a member or beneficiary, occurs  
5 only once pursuant to a single statutory authorization  
6 and does not exceed:

7 (1) the lesser of two percent (2%) of the gross  
8 annual retirement benefit of the member or One  
9 Thousand Dollars (\$1,000.00) and requires that  
10 the benefit may only be provided if the funded  
11 ratio of the affected retirement system would not  
12 be less than sixty percent (60%) but not greater  
13 than eighty percent (80%) after the benefit  
14 increase is paid,

15 (2) the lesser of two percent (2%) of the gross  
16 annual retirement benefit of the member or One  
17 Thousand Two Hundred Dollars (\$1,200.00) and  
18 requires that the benefit may only be provided if  
19 the funded ratio of the affected retirement  
20 system would be greater than eighty percent (80%)  
21 but not greater than one hundred percent (100%)  
22 after the benefit increase is paid,

23 (3) the lesser of two percent (2%) of the gross  
24 annual retirement benefit of the member or One

1 Thousand Four Hundred Dollars (\$1,400.00) and  
 2 requires that the benefit may only be provided if  
 3 the funded ratio of the affected retirement  
 4 system would be greater than one hundred percent  
 5 (100%) after the benefit increase is paid, or  
 6 (4) the greater of two percent (2%) of the gross  
 7 annual retirement benefit of the volunteer  
 8 firefighter or One Hundred Dollars (\$100.00) for  
 9 persons who retired from the Oklahoma  
 10 Firefighters Pension and Retirement System as  
 11 volunteer firefighters and who did not retire  
 12 from the Oklahoma Firefighters Pension and  
 13 Retirement System as a paid firefighter.

14 As used in this subparagraph, "funded ratio" means the  
 15 figure derived by dividing the actuarial value of  
 16 assets of the applicable retirement system by the  
 17 actuarial accrued liability of the applicable  
 18 retirement system,

19 g. which modifies the disability pension standard for  
 20 police officers who are members of the Oklahoma Police  
 21 Pension and Retirement System as provided by Section 3  
 22 of this act, ~~or~~

- 1 h. which provides a cost-of-living benefit increase  
2 pursuant to the provisions of Sections 2 through 7 of  
3 this act, or  
4 i. which modifies the provisions related to post-  
5 retirement employment for the Oklahoma Public  
6 Employees Retirement System as provided by Section 2  
7 of this act.

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

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

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

1 which a portion of the revenue generated from such tax is earmarked  
2 for the benefit of a retirement system;

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

6 9. "Retirement system" means the Teachers' Retirement System of  
7 Oklahoma, the Oklahoma Public Employees Retirement System, the  
8 Uniform Retirement System for Justices and Judges, the Oklahoma  
9 Firefighters Pension and Retirement System, the Oklahoma Police  
10 Pension and Retirement System, the Oklahoma Law Enforcement  
11 Retirement System, or a retirement system established after January  
12 1, 2006.

13 SECTION 2. AMENDATORY 74 O.S. 2021, Section 914, is  
14 amended to read as follows:

15 Section 914. A. The normal retirement date for a member of the  
16 Oklahoma Public Employees Retirement System shall be as defined in  
17 Section 902 of this title, provided members employed on or after  
18 January 1, 1983, shall have six (6) or more years of full-time-  
19 equivalent employment with a participating employer before receiving  
20 any retirement benefits or if the member is a legislative session  
21 employee of the Legislature, shall have three (3) or more years of  
22 full-time-equivalent employment with a participating employer before  
23 receiving any retirement benefits. In no event shall a normal  
24 retirement date for a member be before six (6) months after the

1 entry date of the participating employer by whom he or she is  
2 employed.

3 B. A member may be employed beyond the normal retirement date  
4 by the appointing authority of the participating employer. However,  
5 the member may not receive retirement pay so long as the member  
6 continues employment under this act. Any member who has terminated  
7 employment with a participating employer prior to the month  
8 immediately preceding said member's normal retirement date must  
9 elect a vested benefit pursuant to Section 917 of this title before  
10 receiving any retirement benefits.

11 C. Notice for retirement shall be filed through the retirement  
12 coordinator for the participating employer in such form and manner  
13 as the Board shall prescribe; provided, that such notice for  
14 retirement shall be filed with the office of the retirement system  
15 at least sixty (60) days prior to the date selected for the member's  
16 retirement; provided further, that the Executive Director may waive  
17 the sixty-day notice for good cause shown as defined by the Board.

18 1. The participating employer shall provide the System with the  
19 following information for a retiring member, no later than the  
20 fifteenth day of the month of retirement: last day physically on  
21 the job; last day on payroll; and final unused sick leave balance.

22 2. Failure to submit this information by the deadline, or  
23 errors in submitted information that result in a disqualification of  
24 retirement eligibility shall be the responsibility of the

1 participating employer. In cases where the error results in  
2 disqualification of retirement eligibility, it is the participating  
3 employer's responsibility to reemploy the member, or retain the  
4 member on the payroll, for time period required to reach  
5 eligibility, not exceeding two (2) months.

6 D. No retirement benefits shall be payable to any member until  
7 the first day of the month following the termination of the member's  
8 employment with any participating employer. The type of retirement  
9 benefit selected by a member may not be changed on or after the  
10 effective date of the member's retirement. Receipt of workers'  
11 compensation benefits shall in no respect disqualify the retiree for  
12 benefits.

13 E. If a retiree should be elected or appointed to any position  
14 or office for which compensation for service is paid from levies or  
15 taxes imposed by the state or any political subdivision thereof, the  
16 retiree shall not receive any retirement benefit for any month for  
17 which the retiree serves in such position or office after the  
18 retiree has received compensation in a sum equal to the amount  
19 allowable as wages or earnings by the Social Security Administration  
20 in any calendar year. This subsection shall not apply to service  
21 rendered by a retiree as a juror, as a witness in any legal  
22 proceeding or action, as an election board judge or clerk, or in any  
23 other office or position of a similar nature, or to an employer that  
24 is not a participating employer. Provided, further, that any

1 participating employer who is employing such a retiree shall make  
2 proper written notification to the System informing it of the  
3 beginning date of such retiree's employment and the date such  
4 retiree reaches the maximum compensation allowed by this section in  
5 the calendar year. Any retiree returning to work for a  
6 participating employer shall make contributions to the System and  
7 the employer shall do likewise. All retirees who have returned to  
8 employment and participation in the System following retirement  
9 shall have post-retirement benefits calculated on one of the  
10 following methods:

11 1. All service accumulated from date of reemployment shall be  
12 computed based on the benefit formula applicable at that time and  
13 the additional benefits shall be added to the previous benefits.  
14 Such additional benefits shall be calculated each year based upon  
15 additional service accrued from July 1 to June 30 of the previous  
16 year and the additional benefit, if any, will be added to the  
17 retiree's monthly benefit beginning January 1, 2000, and each  
18 January 1 thereafter. However, the post-retirement service credit  
19 shall be cumulative, beginning with service credit accrued after the  
20 date of retirement, provided that the retiree has not received a  
21 distribution of the post-retirement contributions.

22 2. Any retiree who returns to employment with a participating  
23 employer may elect not to receive any retirement benefits while so  
24 reemployed. If such an election is made and reemployment is for a

1 minimum period of thirty-six (36) consecutive months, all service  
2 accumulated from date of reemployment shall be participating  
3 service. For purposes of determining the retirement benefits of  
4 such a member upon the termination of such reemployment all  
5 creditable service of the member shall be computed based on the  
6 benefit formula applicable at the time of termination of such  
7 reemployment. Provided, a retiree who became reemployed prior to  
8 July 1, 1982, and who is reemployed for a minimum of thirty-six (36)  
9 consecutive months shall have all the creditable service of such  
10 retiree computed based on the benefit formula applicable at the time  
11 of termination of such reemployment if the retiree elects not to  
12 receive retirement benefits prior to such termination of  
13 reemployment. A retiree who has waived receipt of the monthly  
14 benefit, but is not reemployed for the full thirty-six (36)  
15 consecutive months, shall upon termination of such reemployment have  
16 only the additional amount added to his or her benefit as if they  
17 had not waived the benefit as provided in paragraph 1 of this  
18 subsection.

19 3. All post-retirement additional benefits shall be calculated  
20 using actual hours worked as well as the actual compensation  
21 received and upon which contributions are paid. Post-retirement  
22 service is not subject to the partial year round-up provisions of  
23 subsection C of Section 913 of this title.

24

1           4. A retired member who returns to work for a participating  
 2 employer pursuant to this section shall be bound by the election  
 3 made pursuant to paragraph (2) of subsection A of Section 915 of  
 4 this title if the member had made such election prior to retirement.  
 5 If the member had not made such election prior to retirement, the  
 6 member may do so during the member's reemployment with a  
 7 participating employer pursuant to this section. A retired member  
 8 may not be rehired by their former employer, nor may the retired  
 9 member be permitted to enter into an employment contract of any kind  
 10 with a former employer, for a period of ~~one (1) year~~ six (6) months  
 11 after the retired member ended his or her employment with the former  
 12 employer unless the retired member waives his or her benefit under  
 13 paragraph 2 of this subsection and returns as a bona fide employee.

14           F. Except as otherwise provided by subsection G of this  
 15 section, any member may elect to retire before his or her normal  
 16 retirement date on the first day of any month coinciding with or  
 17 following the attainment of age fifty-five (55), provided such  
 18 member has completed ten (10) years of participating service, but in  
 19 no event before six (6) months after the entry date. Any member who  
 20 shall retire before the normal retirement date shall receive an  
 21 annual retirement benefit adjusted in accordance with the following  
 22 percentage schedule:

	Percentage of Normal
Age	Retirement Benefit

1	62	100.00%
2	61	93.33%
3	60	86.67%
4	59	80.00%
5	58	73.33%
6	57	66.67%
7	56	63.33%
8	55	60.00%

9 G. Any member whose first participating service occurs on or  
 10 after November 1, 2011, may elect to retire before his or her normal  
 11 retirement date on the first day of any month coinciding with or  
 12 following the attainment of age sixty (60), provided such member has  
 13 completed ten (10) years of participating service, but in no event  
 14 before six (6) months after the entry date. Any member who shall  
 15 retire before the normal retirement date shall receive an annual  
 16 retirement benefit adjusted in accordance with the following  
 17 percentage schedule:

18		Percentage of Normal
19	Age	Retirement Benefit
20	65	100.00%
21	64	93.33%
22	63	86.67%
23	62	80.00%
24	61	73.33%

1                                   60                                   66.67%

2           SECTION 3. If the Emergency Clause is not approved pursuant to  
3 the requirements of the Oklahoma Constitution as part of this  
4 measure, the effective date of Section 1 of this act shall be  
5 October 1, 2022.

6           SECTION 4. If the Emergency Clause is not approved pursuant to  
7 the requirements of the Oklahoma Constitution as part of this  
8 measure, the effective date of Section 2 of this act shall be  
9 November 1, 2022.

10          SECTION 5. Except as otherwise provided by Section 3 of this  
11 act, Section 1 of this act shall become effective immediately upon  
12 signature by the Governor or as otherwise provided by Section 58 of  
13 Article V of the Oklahoma Constitution.

14          SECTION 6. Except as otherwise provided by Section 4 of this  
15 act, Section 2 of this act shall become effective July 1, 2022.

16          SECTION 7. It being immediately necessary for the preservation  
17 of the public peace, health or safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

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21           58-2-10451           MAH           02/15/22

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