

HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2304

By: Frix of the House

and

Pemberton of the SenateCOMMITTEE SUBSTITUTE

An Act relating to public retirement systems;
amending 62 O.S. 2011, Section 3103, as last amended
by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.
2018, Section 3103), which relates to the Oklahoma
Pension Legislation Actuarial Analysis Act; modifying
definition; authorizing benefit increase for certain
retired members of the Oklahoma Firefighters Pension
and Retirement System; providing for offset;
authorizing benefit increase for certain retired
members of the Oklahoma Police Pension and Retirement
System; providing for offset; authorizing retirement
benefit increase for certain retired members of the
Uniform Retirement System for Justices and Judges;
authorizing retirement benefit increase for certain
retired members of the Oklahoma Law Enforcement
Retirement System; providing for offset; authorizing
retirement benefit increase for certain retired
members of the Teachers' Retirement System of
Oklahoma; authorizing retirement benefit increase for
certain retired members of the Oklahoma Public
Employees Retirement System; providing for
codification; and providing effective dates.

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

2 SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as
3 last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.
4 2018, Section 3103), is amended to read as follows:

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

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

11 2. "RB number" means that number preceded by the letters "RB"
12 assigned to a retirement bill by the respective staffs of the
13 Oklahoma State Senate and the Oklahoma House of Representatives when
14 the respective staff office prepares a retirement bill for a member
15 of the Legislature;

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

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

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

2 a. which does not affect the cost or funding factors of a
3 retirement system, or

4 b. which affects such factors only in a manner which does
5 not:

6 (1) grant a benefit increase under the retirement
7 system affected by the bill,

8 (2) create an actuarial accrued liability for or
9 increase the actuarial accrued liability of the
10 retirement system affected by the bill, or

11 (3) increase the normal cost of the retirement system
12 affected by the bill,

13 c. which authorizes the purchase by an active member of
14 the retirement system, at the actuarial cost for the
15 purchase as computed pursuant to the statute in effect
16 on the effective date of the measure allowing such
17 purchase, of years of service for purposes of reaching
18 a normal retirement date in the applicable retirement
19 system, but which cannot be used in order to compute
20 the number of years of service for purposes of
21 computing the retirement benefit for the member,

22 d. which provides for the computation of a service-
23 connected disability retirement benefit for members of
24 the Oklahoma Law Enforcement Retirement System

- 1 pursuant to Section 2-305 of Title 47 of the Oklahoma
2 Statutes if the members were unable to complete twenty
3 (20) years of service as a result of the disability,
4 e. which requires membership in the defined benefit plan
5 authorized by Section 901 et seq. of Title 74 of the
6 Oklahoma Statutes for persons whose first elected or
7 appointed service occurs on or after November 1, 2018,
8 if such persons had any prior service in the Oklahoma
9 Public Employees Retirement System prior to November
10 1, 2015, ~~or~~
11 f. which provides for a one-time increase in retirement
12 benefits if the increase in retirement benefits is not
13 a permanent increase in the gross annual retirement
14 benefit payable to a member or beneficiary, occurs
15 only once pursuant to a single statutory authorization
16 and does not exceed:
17 (1) the lesser of two percent (2%) of the gross
18 annual retirement benefit of the member or One
19 Thousand Dollars (\$1,000.00) and requires that
20 the benefit may only be provided if the funded
21 ratio of the affected retirement system would not
22 be less than sixty percent (60%) but not greater
23 than eighty percent (80%) after the benefit
24 increase is paid,

- 1 (2) the lesser of two percent (2%) of the gross
2 annual retirement benefit of the member or One
3 Thousand Two Hundred Dollars (\$1,200.00) and
4 requires that the benefit may only be provided if
5 the funded ratio of the affected retirement
6 system would be greater than eighty percent (80%)
7 but not greater than one hundred percent (100%)
8 after the benefit increase is paid,
- 9 (3) the lesser of two percent (2%) of the gross
10 annual retirement benefit of the member or One
11 Thousand Four Hundred Dollars (\$1,400.00) and
12 requires that the benefit may only be provided if
13 the funded ratio of the affected retirement
14 system would be greater than one hundred percent
15 (100%) after the benefit increase is paid, or
- 16 (4) the greater of two percent (2%) of the gross
17 annual retirement benefit of the volunteer
18 firefighter or One Hundred Dollars (\$100.00) for
19 persons who retired from the Oklahoma
20 Firefighters Pension and Retirement System as
21 volunteer firefighters and who did not retire
22 from the Oklahoma Firefighters Pension and
23 Retirement System as a paid firefighter.
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1 As used in this subparagraph, "funded ratio" means the
2 figure derived by dividing the actuarial value of
3 assets of the applicable retirement system by the
4 actuarial accrued liability of the applicable
5 retirement system, or

6 g. which provides a cost-of-living adjustment as
7 prescribed by Sections 2 through 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
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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. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 49-143.7 of Title 11, unless
15 there is created a duplication in numbering, reads as follows:

16 A. Except as provided in subsection B of this section and
17 except for persons receiving benefits pursuant to Section 49-101 of
18 Title 11 of the Oklahoma Statutes, effective November 1, 2020, any
19 person receiving benefits from the Oklahoma Firefighters Pension and
20 Retirement System as of October 30, 2019, who continues to receive
21 benefits on or after November 1, 2020, shall receive a two-percent
22 increase in said benefits on November 1, 2020.

23 B. Any increase in benefits a person is eligible to receive
24 pursuant to repealed Section 49-136 of Title 11 of the Oklahoma

1 Statutes after June 30, 2008, shall be used to offset the increase
2 in benefits provided in subsection A of this section.

3 C. Effective November 1, 2020, any persons receiving benefits
4 pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes
5 shall each receive a benefit equal to Seven Dollars and sixty-eight
6 cents (\$7.68) for each year of credited service not to exceed thirty
7 (30) years of service.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 50-136.9 of Title 11, unless
10 there is created a duplication in numbering, reads as follows:

11 A. Except as provided in subsection B of this section, any
12 person receiving benefits from the Oklahoma Police Pension and
13 Retirement System as of October 30, 2019, who continues to receive
14 benefits on or after November 1, 2020, shall receive a two-percent
15 increase in said benefits on November 1, 2020.

16 B. Any increase in benefits a person is eligible to receive
17 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma
18 Statutes, after October 30, 2018, shall be offset by the increase in
19 benefits, if any, provided by this section.

20 SECTION 4. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 1104K of Title 20, unless there
22 is created a duplication in numbering, reads as follows:

23 Any person receiving benefits from the Uniform Retirement System
24 for Justices and Judges as of October 30, 2019, who continues to

1 receive benefits on or after November 1, 2020, shall receive a two-
2 percent increase in said benefits beginning in November 2020.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2-305.12 of Title 47, unless
5 there is created a duplication in numbering, reads as follows:

6 A. Except as provided in subsection B of this section, any
7 person receiving benefits from the Oklahoma Law Enforcement
8 Retirement System as of October 30, 2019, who continues to receive
9 benefits on or after November 1, 2020, shall receive a two-percent
10 increase in said benefits beginning in November 2020.

11 B. Any increase in benefits a person is eligible to receive
12 pursuant to subsection B, C or D of Section 2-305 of Title 47 of the
13 Oklahoma Statutes, after November 1, 2020, shall be offset by the
14 increase in benefits, if any, provided by this section.

15 SECTION 6. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 17-116.22 of Title 70, unless
17 there is created a duplication in numbering, reads as follows:

18 A. Any person receiving benefits from the Teachers' Retirement
19 System of Oklahoma as of October 30, 2019, other than those benefits
20 specified in subsection B of this section, who continues to receive
21 benefits on or after November 1, 2020, shall receive a two-percent
22 increase in said benefits beginning in November 2020.

23 B. Any person receiving benefits pursuant to subsection (3) of
24 Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits

1 commenced prior to November 1, 2019, and who continues to receive
2 benefits on or after November 1, 2020, shall receive a two-percent
3 increase in said benefits beginning in November 2020.

4 SECTION 7. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 930.11 of Title 74, unless there
6 is created a duplication in numbering, reads as follows:

7 Any person receiving benefits from the Oklahoma Public Employees
8 Retirement System as of October 30, 2019, who continues to receive
9 benefits on or after November 1, 2020, shall receive a two-percent
10 increase in said benefits beginning in November 2020.

11 SECTION 8. Section 1 of this act shall become effective October
12 1, 2020.

13 SECTION 9. Sections 2 through 7 of this act shall become
14 effective November 1, 2020.

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16 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
17 PENSIONS, dated 02/27/2019 - DO PASS, As Amended and Coauthored.
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