

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 934

By: Paxton

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems;
providing for certain increase in benefits for
certain persons; amending 47 O.S. 2011, Section 2-
305, as last amended by Section 3, Chapter 44, O.S.L.
2018 (47 O.S. Supp. 2020, Section 2-305), which
relates to retirement pay; providing for certain
offset; updating statutory language; and providing
for codification .

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 17-116.23 of Title 70, unless
there is created a duplication in numbering, reads as follows:

Any person receiving benefits from the Teachers' Retirement
System of Oklahoma as of June 30, 2021, who continues to receive
benefits on or after July 1, 2022, shall receive a two percent (2%)
increase in the benefits beginning in July 2022.

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 930.12 of Title 74, unless there
is created a duplication in numbering, reads as follows:

1 Any person receiving benefits from the Oklahoma Public Employees
2 Retirement System as of June 30, 2021, who continues to receive
3 benefits on or after July 1, 2022, shall receive a two percent (2%)
4 increase in the benefits beginning in July 2022.

5 SECTION 3. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1104L of Title 20, unless there
7 is created a duplication in numbering, reads as follows:

8 Any person receiving benefits from the Uniform Retirement System
9 for Justices and Judges as of June 30, 2021, who continues to
10 receive benefits on or after July 1, 2022, shall receive a two
11 percent (2%) increase in the benefits beginning in July 2022.

12 SECTION 4. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 49-143.8 of Title 11, unless
14 there is created a duplication in numbering, reads as follows:

15 A. Except as provided in subsection B of this section and for
16 persons receiving benefits pursuant to Section 49-101 of Title 11 of
17 the Oklahoma Statutes, any person receiving benefits from the
18 Oklahoma Firefighters Pension and Retirement System as of June 30,
19 2021, who continues to receive benefits on or after July 1, 2022,
20 shall receive a two percent (2%) increase in the benefits in July
21 2022.

22 B. Any increase in benefits a person is eligible to receive
23 pursuant to subsection C of this section after June 30, 2021, shall
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1 be used to offset the increase in benefits provided in subsection A
2 of this section.

3 C. Any increase in benefits a person is eligible to receive
4 pursuant to repealed Section 49-136 of Title 11 of the Oklahoma
5 Statutes after June 30, 2020, shall be used to offset the increase
6 in benefits provided in subsection A of this section.

7 SECTION 5. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 50-136.10 of Title 11, unless
9 there is created a duplication in numbering, reads as follows:

10 A. Except as provided in subsection B of this section, any
11 person receiving benefits from the Oklahoma Police Pension and
12 Retirement System as of June 30, 2021, who continues to receive
13 benefits on or after July 1, 2022, shall receive a two percent (2%)
14 increase in the benefits on July 1, 2022.

15 B. Any increase in benefits a person is eligible to receive
16 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma
17 Statutes after June 30, 2020, shall be offset by the increase in
18 benefits, if any, provided by this section.

19 SECTION 6. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2-305.13 of Title 47, unless
21 there is created a duplication in numbering, reads as follows:

22 A. Except as provided in subsection B of this section, any
23 person receiving benefits from the Oklahoma Law Enforcement
24 Retirement System as of June 30, 2021, who continues to receive

1 benefits on or after July 1, 2022, shall receive a two percent (2%)
2 increase in the benefits beginning in July 2022.

3 B. Any increase in benefits a person is eligible to receive
4 pursuant to subsection B, C or D of Section 2-305 of Title 47 of the
5 Oklahoma Statutes after June 30, 2020, shall be offset by the
6 increase in benefits, if any, provided by this section.

7 SECTION 7. AMENDATORY 47 O.S. 2011, Section 2-305, as
8 last amended by Section 3, Chapter 44, O.S.L. 2018 (47 O.S. Supp.
9 2020, Section 2-305), is amended to read as follows:

10 Section 2-305. A. Except as otherwise provided in this title,
11 at any time after attaining normal retirement date, any member of
12 the Oklahoma Law Enforcement Retirement System upon application for
13 unreduced retirement benefits made and approved, may retire, and,
14 during the remainder of the member's lifetime, receive annual
15 retirement pay, payable in equal monthly payments, equal to two and
16 one-half percent (2 1/2%) of the final average salary times years of
17 credited service. If such retired member is reemployed by a state
18 agency in a position which is not covered by the System, such
19 retired member shall continue to receive in-service distributions
20 from the System. Prior to September 19, 2002, if such retired
21 member was reemployed by a state agency in a position which is
22 covered by the System, such member shall continue to receive in-
23 service distributions from the System and shall not accrue any
24 further credited service. If such a member is reemployed by a state

1 agency in a position which is covered by the System on or after
2 September 19, 2002, such member's monthly retirement payments shall
3 be suspended until such member retires and is not reemployed by a
4 state agency in a position which is covered by the System.

5 B. Beginning July 1, 1994, members who retired or were eligible
6 to retire prior to July 1, 1980, or their surviving spouses shall
7 receive annual retirement pay, payable in equal monthly payments,
8 equal to the greater of their current retirement pay, or two and
9 one-half percent (2 1/2%) of the actual paid gross salary being
10 currently paid to a highway patrol officer, at the time each such
11 monthly retirement payment is made, multiplied by the retired
12 member's years of credited service. Any increase in benefits a
13 person is eligible to receive pursuant to this subsection after the
14 effective date of this act shall be offset by the increase in
15 benefits, if any, provided by Section 6 of this act.

16 C. Except as otherwise provided by this subsection, members of
17 the System whose salary is set by statute who have retired after
18 completion of the mandatory twenty (20) years of service, and those
19 members with statutory salaries who retire after reaching the
20 mandatory twenty-year retirement, or those members that had to
21 retire due to a service-connected disability and were unable to
22 complete the mandatory twenty-year retirement pursuant to subsection
23 E of this section, shall receive an annual retirement pay, payable
24 in equal monthly installments, based upon the greater of either:

1 1. The top base salary currently paid to the highest
2 nonsupervisory position in the participating agency, at the time
3 each such monthly retirement payment is made, multiplied by two and
4 one-half percent (2 1/2%) multiplied by the number of years of
5 credited service and fraction thereof for the following positions:

6 a. Oklahoma Highway Patrolman,

7 b. Communications Dispatcher,

8 c. Capitol Patrolman,

9 d. Lake Patrolman, and

10 e. Oklahoma State Bureau of Investigation - Special Agent
11 or Criminalist; or

12 2. The member's final average salary as set forth in paragraph
13 9 of Section 2-300 of this title, multiplied by two and one-half
14 percent (2 1/2%), and multiplied by the number of years of credited
15 service and fraction thereof.

16 No member of the System retired prior to July 1, 2002, shall
17 receive a benefit less than the amount the member is receiving as of
18 June 30, 2002.

19 The provisions of paragraph 1 of this subsection shall not be
20 applicable to any member whose first participating service with the
21 System occurs on or after November 1, 2012.

22 Any increase in benefits a person is eligible to receive
23 pursuant to this subsection after the effective date of this act
24

1 shall be offset by the increase in benefits, if any, provided by
2 Section 6 of this act.

3 D. Other members of the System whose retirement benefit is not
4 otherwise prescribed by this section who have retired after
5 completion of the mandatory twenty (20) years of service, and those
6 members who retire after reaching the mandatory twenty-year
7 retirement, or those members that had to retire due to a service-
8 connected disability and were unable to complete the mandatory
9 twenty-year retirement pursuant to subsection E of this section,
10 shall receive an annual retirement pay, payable in equal monthly
11 payments, based upon the greater of either:

12 1. The actual average salary currently paid to the highest
13 nonsupervisory position in the participating agency, at the time
14 each such monthly payment is made, multiplied by two and one-half
15 percent (2 1/2%), multiplied by the number of years of credited
16 service and fraction thereof for the following positions:

- 17 a. Alcoholic Beverage Laws Enforcement Commission - ABLE
18 Commission Agent III,
- 19 b. Oklahoma State Bureau of Narcotics and Dangerous Drugs
20 Control - Narcotics Agent III,
- 21 c. Oklahoma Tourism and Recreation Department - Park
22 Ranger II,
- 23 d. State Board of Pharmacy - Pharmacy Inspector,
- 24 e. University of Oklahoma - Police Officer, and

1 f. Oklahoma State University - Police Officer; or

2 2. The other member's final average salary as set forth in
3 paragraph 9 of Section 2-300 of this title, multiplied by two and
4 one-half percent (2 1/2%), multiplied by the number of years of
5 credited service and fraction thereof.

6 No member of the System retired prior to July 1, 2002, shall
7 receive a benefit less than the amount the member is receiving as of
8 June 30, 2002. The participating employer must certify to the
9 System in writing the actual average gross salary currently paid to
10 the highest nonsupervisory position. The Board of Trustees shall
11 promulgate such rules as are necessary to implement the provisions
12 of this section.

13 The provisions of paragraph 1 of this subsection shall not be
14 applicable to any member whose first participating service with the
15 System occurs on or after May 24, 2013.

16 Any increase in benefits a person is eligible to receive
17 pursuant to this subsection after the effective date of this act
18 shall be offset by the increase in benefits, if any, provided by
19 Section 6 of this act.

20 E. A member who meets the definition of disability as defined
21 in paragraph 11 of Section 2-300 of this title by direct reason of
22 the performance of the member's duties as an officer shall receive a
23 monthly benefit equal to the greater of fifty percent (50%) of final
24 average salary or two and one-half percent (2 1/2%) of final average

1 salary multiplied by the number of years of the member's credited
2 service. If such member participates in the Oklahoma Law
3 Enforcement Deferred Option Plan pursuant to Section 2-305.2 of this
4 title, then such member's disability pension provided pursuant to
5 this subsection shall be reduced to account for such member's
6 participation in the Oklahoma Law Enforcement Deferred Option Plan.

7 F. A member who meets the definition of disability as defined
8 in paragraph 11 of Section 2-300 of this title and whose disability
9 is by means of personal and traumatic injury of a catastrophic
10 nature and in the line of duty, shall receive a monthly benefit
11 equal to:

12 1. Two and one-half percent (2 1/2%);

13 2. Multiplied by:

14 a. twenty (20) years of service, regardless of the actual
15 number of years of credited service performed by the
16 member prior to the date of disability, if the member
17 had performed less than twenty (20) years of service,
18 or

19 b. the actual number of years of service performed by the
20 member if the member had performed twenty (20) or more
21 years of service;

22 3. Multiplied by a final average salary equal to:

23 a. the salary which the member would have received
24 pursuant to statutory salary schedules in effect upon

1 the date of the disability for twenty (20) years of
2 service prior to disability. The final average salary
3 for a member who performed less than twenty (20) years
4 of service prior to disability shall be computed
5 assuming that the member was paid the highest salary
6 allowable pursuant to the law in effect at the time of
7 the member's disability based upon twenty (20) years
8 of service and with an assumption that the member was
9 eligible for any and all increases in pay based upon
10 rank during the entire period. If the salary of a
11 member is not prescribed by a specific salary schedule
12 upon the date of the member's disability, the final
13 average salary for the member shall be computed by the
14 member's actual final average salary or the highest
15 median salary amount for a member whose salary was
16 prescribed by a specific salary schedule upon the date
17 of the member's disability, whichever final average
18 salary amount would be greater, or

- 19 b. the actual final average salary of the member if the
20 member had performed twenty (20) or more years of
21 service prior to disability.

22 If such member participates in the Oklahoma Law Enforcement
23 Deferred Option Plan pursuant to Section 2-305.2 of this title, such
24 member's disability pension provided pursuant to this subsection

1 shall be adjusted as provided in Section 2-305.2 of this title to
2 account for such member's participation in the Oklahoma Law
3 Enforcement Deferred Option Plan.

4 G. A member who meets the definition of disability as defined
5 in Section 2-300 of this title and whose disability occurred prior
6 to the member's normal retirement date but after completing three
7 (3) years of vesting service and not by reason of the performance of
8 the member's duties or as a result of the member's willful
9 negligence shall receive a monthly benefit equal to two and one-half
10 percent (2 1/2%) of final average salary multiplied by the number of
11 years of the member's credited service.

12 H. Payment of a disability pension shall commence as of the
13 first day of the month coinciding or next following the date of
14 retirement and shall continue as long as the member meets the
15 definition of total and permanent disability provided in this
16 section.

17 I. For the purpose of determining the member's disability under
18 subsection E, F or G of this section, the member shall be required
19 by the Board to be examined by a minimum of two recognized
20 physicians selected by the Board to determine the extent of the
21 member's injury or illness. The examining physicians shall furnish
22 the Board a detailed written report of the injury or illness of the
23 examined member establishing the extent of disability and the
24 possibilities of the disabled member being returned to his or her

1 regular duties or an alternate occupation or service covered by the
2 System after a normal recuperation period. The Board shall require
3 all retired disabled members who have not attained their normal
4 retirement date to submit to a physical examination once each year
5 for a minimum of three (3) years following retirement. The Board
6 shall select a minimum of two physicians to examine the retired
7 members and pay for their services from the fund. Any retired
8 disabled member found no longer disabled by the examining physicians
9 to perform the occupation of the member or an alternate occupation
10 or service covered by the System shall be required to return to duty
11 and complete twenty (20) years of service as provided in subsection
12 A of this section, or forfeit all his or her rights and claims under
13 Section 2-300 et seq. of this title.

14 J. The disability benefit under this section shall be for the
15 lifetime of the member unless such member is found no longer
16 disabled pursuant to subsection I of this section. Such member
17 shall not be entitled to the retirement benefit pursuant to
18 subsection A of this section unless such member returns to active
19 duty and is eligible for a retirement benefit as provided in
20 subsection A of this section.

21 K. At the postoffer, preemployment physical examination
22 required under paragraph 6 of Section 2-300 of this title, the
23 physician selected by the Board shall determine the extent to which
24 a new member is disabled. If a member is determined to be partially

1 disabled, the physician shall assign a percentage of disability to
2 such partial disability. If such member then becomes entitled to a
3 disability benefit under either subsection E or subsection G of this
4 section, the benefit payable shall be reduced by the percentage
5 which such member was determined to be disabled at the postoffer,
6 preemployment physical unless the Board makes a determination that
7 the initially determined percentage of disability at the
8 preemployment physical examination is unrelated to the reason for
9 the disability currently sought pursuant to subsection E or
10 subsection G of this section. Upon employment, the member shall
11 disclose to the Board any disability payments received from any
12 source. The amount of disability to be paid to any member cannot
13 exceed one hundred percent (100%) disability from all sources. The
14 provisions of this subsection shall apply only to members whose
15 effective date of membership is on or after July 1, 2000.

16 L. In addition to the pension provided for under subsection F
17 of this section, if ~~said~~ the member has one or more children under
18 the age of eighteen (18) years or under the age of twenty-two (22)
19 years if the child is enrolled full time in and is regularly
20 attending a public or private school or any institution of higher
21 education, Four Hundred Dollars (\$400.00) a month shall be paid from
22 ~~said~~ the Fund for the support of each surviving child to the member
23 or person having the care and custody of such children until each
24 child reaches the age of eighteen (18) years or reaches the age of

1 twenty-two (22) years if the child is enrolled full time in and is
2 regularly attending a public or private school or any institution of
3 higher education.

4 M. Notwithstanding any other provisions in Section 2-300
5 through 2-315 of this title, in order to be eligible to receive
6 disability benefits, a member who meets the definition of disability
7 as defined in paragraph 11 of Section 2-300 of this title shall file
8 the member's completed application for disability benefits with the
9 System before such member's date of termination from service and
10 provide such additional information that the System's rules require
11 within six (6) months of the System's receipt of such application.
12 If the member's completed application for disability benefits is not
13 filed with the System before the member's date of termination from
14 service or such additional information as is required under the
15 System's rules is not provided within six (6) months of the System's
16 receipt of such application, such member shall be eligible only for
17 such other benefits as are available to members of the System and
18 shall not be eligible to receive any disability benefits. For good
19 cause shown, the Board of Trustees may waive the requirement that
20 the disability application be filed before the member's date of
21 termination from service. In no event shall a member be eligible to
22 receive any disability benefit if the member's completed application
23 is filed more than six (6) months after the member's date of
24 termination from service.

1 N. If the requirements of Section 2-305.1C of this title are
2 satisfied, a member who, by reason of disability or attainment of
3 normal retirement date or age, is separated from service as a public
4 safety officer with the member's participating employer may elect to
5 have payment made directly to the provider for qualified health
6 insurance premiums by deduction from his or her monthly disability
7 benefit or monthly retirement payment, after December 31, 2006, in
8 accordance with Section 402(1) of the Internal Revenue Code of 1986,
9 as amended.

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