

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL 2065

By: Ford and Moore of the House

and

Weaver and Garvin of the
Senate

COMMITTEE SUBSTITUTE

[public retirement systems - Oklahoma Pension
Legislation Actuarial Analysis Act - Oklahoma Law
Enforcement Retirement System - contingent effect -
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;

2. "RB number" means that number preceded by the letters "RB"
assigned to a retirement bill by the respective staffs of the

1 Oklahoma State Senate and the Oklahoma House of Representatives when
2 the respective staff office prepares a retirement bill for a member
3 of the Legislature;

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

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

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

- 14 a. which does not affect the cost or funding factors of a
15 retirement system,
- 16 b. which affects such factors only in a manner which does
17 not:
 - 18 (1) grant a benefit increase under the retirement
19 system affected by the bill,
 - 20 (2) create an actuarial accrued liability for or
21 increase the actuarial accrued liability of the
22 retirement system affected by the bill, or
 - 23 (3) increase the normal cost of the retirement system
24 affected by the bill,

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

1 a permanent increase in the gross annual retirement
2 benefit payable to a member or beneficiary, occurs
3 only once pursuant to a single statutory authorization
4 and does not exceed:

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

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

21 (3) the lesser of two percent (2%) of the gross
22 annual retirement benefit of the member or One
23 Thousand Four Hundred Dollars (\$1,400.00) and
24 requires that the benefit may only be provided if

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

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

17 g. which modifies the disability pension standard for
18 police officers who are members of the Oklahoma Police
19 Pension and Retirement System as provided by Section 3
20 ~~of this act~~ 50-115 of Title 11 of the Oklahoma
21 Statutes, ~~or~~

22 h. which provides a cost-of-living benefit increase
23 pursuant to the provisions of ~~Sections 2 through 7 of~~
24 ~~this act~~ :

(1) Section 49-143.7 of Title 11 of the Oklahoma Statutes,

(2) Section 50-136.9 of Title 11 of the Oklahoma Statutes,

(3) Section 1104K of Title 20 of the Oklahoma Statutes,

(4) Section 2-305.12 of Title 47 of the Oklahoma Statutes,

(5) Section 17-116.22 of Title 70 of the Oklahoma Statutes, or

(6) Section 930.11 of Title 74 of the Oklahoma Statutes, or

i. which provides for the reinstatement of retirement benefits for members of the Oklahoma Law Enforcement Retirement System pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes for those who were hired on or after November 1, 2012, or May 24, 2013.

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

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

5 7. "Retirement bill" means any bill or joint resolution
6 introduced or any bill or joint resolution amended by a member of
7 the Oklahoma Legislature which creates or amends any law directly
8 affecting a retirement system. A retirement bill shall not mean a
9 bill or resolution that impacts the revenue of any state tax in
10 which a portion of the revenue generated from such tax is earmarked
11 for the benefit of a retirement system;

12 8. "Retirement bill having a fiscal impact" means any
13 retirement bill creating or establishing a retirement system and any
14 other retirement bill other than a nonfiscal retirement bill; and

15 9. "Retirement system" means the Teachers' Retirement System of
16 Oklahoma, the Oklahoma Public Employees Retirement System, the
17 Uniform Retirement System for Justices and Judges, the Oklahoma
18 Firefighters Pension and Retirement System, the Oklahoma Police
19 Pension and Retirement System, the Oklahoma Law Enforcement
20 Retirement System, or a retirement system established after January
21 1, 2006.

22 SECTION 2. AMENDATORY 47 O.S. 2021, Section 2-305, is
23 amended to read as follows:
24

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

20 B. Beginning July 1, 1994, members who retired or were eligible
21 to retire prior to July 1, 1980, or their surviving spouses shall
22 receive annual retirement pay, payable in equal monthly payments,
23 equal to the greater of their current retirement pay, or two and
24 one-half percent (2 1/2%) of the actual paid gross salary being

1 currently paid to a highway patrol officer, at the time each such
2 monthly retirement payment is made, multiplied by the retired
3 member's years of credited service.

4 C. Except as otherwise provided by this subsection, members of
5 the System whose salary is set by statute who have retired after
6 completion of the mandatory twenty (20) years of service, and those
7 members with statutory salaries who retire after reaching the
8 mandatory twenty-year retirement shall receive an annual retirement
9 pay, payable in equal monthly installments, based upon the greater
10 of either:

11 1. The top base salary currently paid to the highest
12 nonsupervisory position in the participating agency at the time each
13 such monthly retirement payment is made, limited to the annual
14 salary limit of the Economic Growth and Tax Relief Reconciliation
15 Act of 2001, as described in paragraph 9 of Section 2-300 of this
16 title, multiplied by two and one-half percent (2 1/2%) multiplied by
17 the number of years of credited service and fraction thereof for the
18 following positions:

- 19 a. Oklahoma Highway Patrolman,
- 20 b. Communications Dispatcher,
- 21 c. Capitol Patrolman,
- 22 d. Lake Patrolman, and
- 23 e. Oklahoma State Bureau of Investigation - Special Agent
- 24 or Criminalist; or

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

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

The provisions of paragraph 1 of this subsection shall not be applicable to any member whose first participating service with the System occurs on or after November 1, 2012, except for those members who died in the performance of their duties pursuant to Section 2-306 of this title.

D. Other members of the System whose retirement benefit is not otherwise prescribed by this section who have retired after completion of the mandatory twenty (20) years of service, and those members who retire after reaching the mandatory twenty-year retirement shall receive an annual retirement pay, payable in equal monthly payments, based upon the greater of either:

1. The actual average salary currently paid to the highest nonsupervisory position in the participating agency at the time each such monthly payment is made, limited to the annual salary limit of the Economic Growth and Tax Relief Reconciliation Act of 2001, as described in paragraph 9 of Section 2-300 of this title, multiplied by two and one-half percent (2 1/2%), multiplied by the number of

1 years of credited service and fraction thereof for the following
2 positions:

- 3 a. Alcoholic Beverage Laws Enforcement Commission - ABLE
- 4 Commission Agent III,
- 5 b. Oklahoma State Bureau of Narcotics and Dangerous Drugs
- 6 Control - Narcotics Agent III,
- 7 c. Oklahoma Tourism and Recreation Department - Park
- 8 Ranger II,
- 9 d. State Board of Pharmacy - Pharmacy Inspector,
- 10 e. University of Oklahoma - Police Officer, and
- 11 f. Oklahoma State University - Police Officer; or

12 2. The other member's final average salary as set forth in
13 paragraph 9 of Section 2-300 of this title, multiplied by two and
14 one-half percent (2 1/2%), multiplied by the number of years of
15 credited 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. The participating employer must certify to the
19 System in writing the actual average gross salary currently paid to
20 the highest nonsupervisory position. The Board of Trustees shall
21 promulgate such rules as are necessary to implement the provisions
22 of this section.

23 The provisions of paragraph 1 of this subsection shall not be
24 applicable to any member whose first participating service with the

1 System occurs on or after May 24, 2013, except for those members who
2 died in the performance of their duties pursuant to Section 2-306 of
3 this title.

4 E. A member who meets the definition of disability as defined
5 in paragraph 11 of Section 2-300 of this title by direct reason of
6 the performance of the member's duties as an officer shall receive a
7 monthly benefit equal to:

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

9 2. Multiplied by:

10 a. twenty (20) years of credited service, if the member
11 had performed less than twenty (20) years of credited
12 service, notwithstanding the actual number of years of
13 credited service performed by the member prior to the
14 date of disability, or

15 b. the actual number of years of credited service and
16 fraction thereof performed by the member prior to the
17 date of disability, if the member had performed twenty
18 (20) or more years of credited service;

19 3. Multiplied by the greater of subparagraph a of this
20 paragraph and division 1 of subparagraph b of this paragraph or
21 division 2 of subparagraph b of this paragraph, as applicable:

22 a. the final average salary of the member, as set forth
23 in paragraph 9 of Section 2-300 of this title, and
24

b. (1) the top base salary currently paid to the highest nonsupervisory position in the participating agency of the member ~~whose first participating service with the System occurred before November 1, 2012,~~ at the time each monthly payment is made, limited to the annual salary limit of the Economic Growth and Tax Relief Reconciliation Act of 2001 described in paragraph 9 of Section 2-300 of this title, for the following positions:

- (a) Oklahoma Highway Patrolman,
- (b) Communications Dispatcher,
- (c) Capitol Patrolman,
- (d) Lake Patrolman, and
- (e) Oklahoma State Bureau of Investigation -
Special Agent or Criminalist,

Provided, the participating employer must certify to the System in writing the top base salary currently paid to the highest nonsupervisory position for division 1 of subparagraph b of this paragraph, or

(2) the actual average salary currently paid to the highest nonsupervisory position in the participating agency of the member ~~whose first participating service with the System occurred before May 24, 2013,~~ at the time each monthly

1 payment is made, limited to the annual salary
2 limit of the Economic Growth and Tax Relief
3 Reconciliation Act of 2001, described in
4 paragraph 9 of Section 2-300 of this title, for
5 the following positions:

6 (a) Alcoholic Beverage Laws Enforcement (ABLE)
7 Commission - ABLE Commission Agent III,

8 (b) Oklahoma State Bureau of Narcotics and
9 Dangerous Drugs Control - Narcotics Agent
10 III,

11 (c) Oklahoma Tourism and Recreation Department -
12 Park Ranger II,

13 (d) State Board of Pharmacy - Pharmacy
14 Inspector,

15 (e) University of Oklahoma - Police Officer, and

16 (f) Oklahoma State University - Police Officer,

17 Provided, the participating employer must certify to the System
18 in writing the actual average gross salary currently paid to the
19 highest nonsupervisory position for division 2 of subparagraph b of
20 this paragraph;

21 4. No member of the System receiving benefits prescribed by
22 this subsection who retired prior to July 1, 2002, shall receive a
23 benefit of less than the amount the member was receiving as of June
24 30, 2002;

1 5. The Board of Trustees shall promulgate rules as necessary to
2 implement the provisions of this subsection; and

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

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

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

14 2. Multiplied by:

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

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

23 3. Multiplied by a final average salary equal to:
24

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

1 If such member participates in the Oklahoma Law Enforcement
2 Deferred Option Plan pursuant to Section 2-305.2 of this title, such
3 member's disability pension provided pursuant to this subsection
4 shall be adjusted as provided in Section 2-305.2 of this title to
5 account for such member's participation in the Oklahoma Law
6 Enforcement Deferred Option Plan.

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

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

20 I. For the purpose of determining the member's disability under
21 subsection E, F or G of this section, the member shall be required
22 by the Board to be examined by a minimum of two recognized
23 physicians selected by the Board to determine the extent of the
24 member's injury or illness. The examining physicians shall furnish

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

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

1 K. At the postoffer, preemployment physical examination
2 required under paragraph 6 of Section 2-300 of this title, the
3 physician selected by the Board shall determine the extent to which
4 a new member is disabled. If a member is determined to be partially
5 disabled, the physician shall assign a percentage of disability to
6 such partial disability. If such member then becomes entitled to a
7 disability benefit under either subsection E or subsection G of this
8 section, the benefit payable shall be reduced by the percentage
9 which such member was determined to be disabled at the postoffer,
10 preemployment physical unless the Board makes a determination that
11 the initially determined percentage of disability at the
12 preemployment physical examination is unrelated to the reason for
13 the disability currently sought pursuant to subsection E or
14 subsection G of this section. Upon employment, the member shall
15 disclose to the Board any disability payments received from any
16 source. The amount of disability to be paid to any member cannot
17 exceed one hundred percent (100%) disability from all sources. The
18 provisions of this subsection shall apply only to members whose
19 effective date of membership is on or after July 1, 2000.

20 L. In addition to the pension provided for under subsection F
21 of this section, if the member has one or more children under the
22 age of eighteen (18) years or under the age of twenty-two (22) years
23 if the child is enrolled full time in and is regularly attending a
24 public or private school or any institution of higher education,

1 Four Hundred Dollars (\$400.00) a month shall be paid from the Fund
2 for the support of each surviving child to the member or person
3 having the care and custody of such children until each child
4 reaches the age of eighteen (18) years or reaches the age of twenty-
5 two (22) years if the child is enrolled full time in and is
6 regularly attending a public or private school or any institution of
7 higher education.

8 M. Notwithstanding any other provisions in Section 2-300
9 through 2-315 of this title, in order to be eligible to receive
10 disability benefits, a member who meets the definition of disability
11 as defined in paragraph 11 of Section 2-300 of this title shall file
12 the member's completed application for disability benefits with the
13 System before such member's date of termination from service and
14 provide such additional information that the System's rules require
15 within six (6) months of the System's receipt of such application.
16 If the member's completed application for disability benefits is not
17 filed with the System before the member's date of termination from
18 service or such additional information as is required under the
19 System's rules is not provided within six (6) months of the System's
20 receipt of such application, such member shall be eligible only for
21 such other benefits as are available to members of the System and
22 shall not be eligible to receive any disability benefits. For good
23 cause shown, the Board of Trustees may waive the requirement that
24 the disability application be filed before the member's date of

1 termination from service. In no event shall a member be eligible to
2 receive any disability benefit if the member's completed application
3 is filed more than six (6) months after the member's date of
4 termination from service.

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

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

18 SECTION 4. If the Emergency Clause is not approved pursuant to
19 the requirements of the Oklahoma Constitution as part of this
20 measure, the effective date of Section 2 of this act shall be
21 November 1, 2022.

22 SECTION 5. Except as otherwise provided by Section 3 of this
23 act, Section 1 of this act shall become effective immediately upon
24

1 signature by the Governor or as otherwise provided by Section 58 of
2 Article V of the Oklahoma Constitution.

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

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

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