

**HOUSE OF REPRESENTATIVES - FLOOR VERSION**

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 4123

By: Frix of the House

and

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

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

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

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

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

- 20           a.    which does not affect the cost or funding factors of a  
21                retirement system,  
22           b.    which affects such factors only in a manner which does  
23                not:

- (1) grant a benefit increase under the retirement system affected by the bill,
  - (2) create an actuarial accrued liability for or increase the actuarial accrued liability of the retirement system affected by the bill, or
  - (3) increase the normal cost of the retirement system affected by the bill,
- c. which authorizes the purchase by an active member of the retirement system, at the actuarial cost for the purchase as computed pursuant to the statute in effect on the effective date of the measure allowing such purchase, of years of service for purposes of reaching a normal retirement date in the applicable retirement system, but which cannot be used in order to compute the number of years of service for purposes of computing the retirement benefit for the member,
- d. which provides for the computation of a service-connected disability retirement benefit for members of the Oklahoma Law Enforcement Retirement System pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes if the members were unable to complete twenty (20) years of service as a result of the disability,
- e. which requires membership in the defined benefit plan authorized by Section 901 et seq. of Title 74 of the

Oklahoma Statutes for persons whose first elected or appointed service occurs on or after November 1, 2018, if such persons had any prior service in the Oklahoma Public Employees Retirement System prior to November 1, 2015,

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

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

(2) the lesser of two percent (2%) of the gross annual retirement benefit of the member or One Thousand Two Hundred Dollars (\$1,200.00) and requires that the benefit may only be provided if the funded ratio of the affected retirement

1 system would be greater than eighty percent (80%)  
2 but not greater than one hundred percent (100%)  
3 after the benefit increase is paid,

4 (3) the lesser of two percent (2%) of the gross  
5 annual retirement benefit of the member or One  
6 Thousand Four Hundred Dollars (\$1,400.00) and  
7 requires that the benefit may only be provided if  
8 the funded ratio of the affected retirement  
9 system would be greater than one hundred percent  
10 (100%) after the benefit increase is paid, or

11 (4) the greater of two percent (2%) of the gross  
12 annual retirement benefit of the volunteer  
13 firefighter or One Hundred Dollars (\$100.00) for  
14 persons who retired from the Oklahoma  
15 Firefighters Pension and Retirement System as  
16 volunteer firefighters and who did not retire  
17 from the Oklahoma Firefighters Pension and  
18 Retirement System as a paid firefighter.

19 As used in this subparagraph, "funded ratio" means the  
20 figure derived by dividing the actuarial value of  
21 assets of the applicable retirement system by the  
22 actuarial accrued liability of the applicable  
23 retirement system,

24

- 1           g.    which modifies the disability pension standard for  
2                police officers who are members of the Oklahoma Police  
3                Pension and Retirement System as provided by Section 3  
4                of this act, ~~or~~
- 5           h.    which provides a cost-of-living benefit increase  
6                pursuant to the provisions of Sections 2 through 7 of  
7                this act, or
- 8           i.    which modifies the provisions related to post-  
9                retirement employment for the Oklahoma Public  
10              Employees Retirement System as provided by Section 2  
11              of this act.

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

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

23       7. "Retirement bill" means any bill or joint resolution  
24 introduced or any bill or joint resolution amended by a member of

1 the Oklahoma Legislature which creates or amends any law directly  
2 affecting a retirement system. A retirement bill shall not mean a  
3 bill or resolution that impacts the revenue of any state tax in  
4 which a portion of the revenue generated from such tax is earmarked  
5 for the benefit of a retirement system;

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

9 9. "Retirement system" means the Teachers' Retirement System of  
10 Oklahoma, the Oklahoma Public Employees Retirement System, the  
11 Uniform Retirement System for Justices and Judges, the Oklahoma  
12 Firefighters Pension and Retirement System, the Oklahoma Police  
13 Pension and Retirement System, the Oklahoma Law Enforcement  
14 Retirement System, or a retirement system established after January  
15 1, 2006.

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

18 Section 914. A. The normal retirement date for a member of the  
19 Oklahoma Public Employees Retirement System shall be as defined in  
20 Section 902 of this title, provided members employed on or after  
21 January 1, 1983, shall have six (6) or more years of full-time-  
22 equivalent employment with a participating employer before receiving  
23 any retirement benefits or if the member is a legislative session  
24 employee of the Legislature, shall have three (3) or more years of

1 full-time-equivalent employment with a participating employer before  
2 receiving any retirement benefits. In no event shall a normal  
3 retirement date for a member be before six (6) months after the  
4 entry date of the participating employer by whom he or she is  
5 employed.

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

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

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



1        2. Failure to submit this information by the deadline, or  
2 errors in submitted information that result in a disqualification of  
3 retirement eligibility shall be the responsibility of the  
4 participating employer. In cases where the error results in  
5 disqualification of retirement eligibility, it is the participating  
6 employer's responsibility to reemploy the member, or retain the  
7 member on the payroll, for time period required to reach  
8 eligibility, not exceeding two (2) months.

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

16        E. If a retiree should be elected or appointed to any position  
17 or office for which compensation for service is paid from levies or  
18 taxes imposed by the state or any political subdivision thereof, the  
19 retiree shall not receive any retirement benefit for any month for  
20 which the retiree serves in such position or office after the  
21 retiree has received compensation in a sum equal to the amount  
22 allowable as wages or earnings by the Social Security Administration  
23 in any calendar year. This subsection shall not apply to service  
24 rendered by a retiree as a juror, as a witness in any legal

1 proceeding or action, as an election board judge or clerk, or in any  
2 other office or position of a similar nature, or to an employer that  
3 is not a participating employer. Provided, further, that any  
4 participating employer who is employing such a retiree shall make  
5 proper written notification to the System informing it of the  
6 beginning date of such retiree's employment and the date such  
7 retiree reaches the maximum compensation allowed by this section in  
8 the calendar year. Any retiree returning to work for a  
9 participating employer shall make contributions to the System and  
10 the employer shall do likewise. All retirees who have returned to  
11 employment and participation in the System following retirement  
12 shall have post-retirement benefits calculated on one of the  
13 following methods:

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

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

22        3. All post-retirement additional benefits shall be calculated  
23 using actual hours worked as well as the actual compensation  
24 received and upon which contributions are paid. Post-retirement

1 service is not subject to the partial year round-up provisions of  
2 subsection C of Section 913 of this title.

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

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

1		Percentage of Normal
2	Age	Retirement Benefit
3	62	100.00%
4	61	93.33%
5	60	86.67%
6	59	80.00%
7	58	73.33%
8	57	66.67%
9	56	63.33%
10	55	60.00%

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

20		Percentage of Normal
21	Age	Retirement Benefit
22	65	100.00%
23	64	93.33%
24	63	86.67%

1	62	80.00%
2	61	73.33%
3	60	66.67%

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

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

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

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

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

22  
23 COMMITTEE REPORT BY: COMMITTEE ON COUNTY AND MUNICIPAL GOVERNMENT,  
24 dated 03/02/2022 - DO PASS, As Amended and Coauthored.