

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3291 _____
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: _____

Reading Clerk

Amendment submitted by: Kyle Hilbert

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 3291

By: Hilbert

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to state employee benefits; amending 62 O.S. 2021, Section 3103, as last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2023, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; providing certain provisions to be deemed nonfiscal; amending 74 O.S. 2021, Section 902, as amended by Section 2, Chapter 146, O.S.L. 2023 (74 O.S. Supp. 2023, Section 902), which relates to the Oklahoma Public Employees Retirement System; modifying definition; providing for service credit for purposes of normal retirement age or date; prohibiting use of service credit for purpose of retirement benefit computations; amending 74 O.S. 2021, Section 840-2.18, as last amended by Section 1, Chapter 18, 1st Extraordinary Session, O.S.L. 2023 (74 O.S. Supp. 2023, Section 840-2.18), which relates to longevity payments; modifying provisions to authorize computation for certain services performed pursuant to contracts; providing for codification; providing effective dates; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2023, Section 3103), is amended to read as follows:

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

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

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

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

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

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

22 a. which does not affect the cost or funding factors of a
23 retirement system,
24

- 1 b. which affects such factors only in a manner which does
2 not:
3 (1) grant a benefit increase under the retirement
4 system affected by the bill,
5 (2) create an actuarial accrued liability for or
6 increase the actuarial accrued liability of the
7 retirement system affected by the bill, or
8 (3) increase the normal cost of the retirement system
9 affected by the bill,
- 10 c. which authorizes the purchase by an active member of
11 the retirement system, at the actuarial cost for the
12 purchase as computed pursuant to the statute in effect
13 on the effective date of the measure allowing such
14 purchase, of years of service for purposes of reaching
15 a normal retirement date in the applicable retirement
16 system, but which cannot be used in order to compute
17 the number of years of service for purposes of
18 computing the retirement benefit for the member,
- 19 d. which provides for the computation of a service-
20 connected disability retirement benefit for members of
21 the Oklahoma Law Enforcement Retirement System
22 pursuant to Section 2-305 of Title 47 of the Oklahoma
23 Statutes if the members were unable to complete twenty
24 (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

1 requires that the benefit may only be provided if
2 the funded ratio of the affected retirement
3 system would be greater than eighty percent (80%)
4 but not greater than one hundred percent (100%)
5 after the benefit increase is paid,

6 (3) the lesser of two percent (2%) of the gross
7 annual retirement benefit of the member or One
8 Thousand Four Hundred Dollars (\$1,400.00) and
9 requires that the benefit may only be provided if
10 the funded ratio of the affected retirement
11 system would be greater than one hundred percent
12 (100%) after the benefit increase is paid, or

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

21 As used in this subparagraph, "funded ratio" means the
22 figure derived by dividing the actuarial value of
23 assets of the applicable retirement system by the
24

1 actuarial accrued liability of the applicable
2 retirement system,

3 g. which modifies the disability pension standard for
4 police officers who are members of the Oklahoma Police
5 Pension and Retirement System as provided by Section 3
6 of this act,

7 h. which provides a cost-of-living benefit increase
8 pursuant to the provisions of:

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

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

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

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

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

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

21 i. which modifies the computation of the line-of-duty
22 disability benefit pursuant to the provisions of this
23 act, or
24

1 j. which provides for the inclusion of service credit for
2 purposes of determining a normal retirement age or
3 date as provided by Section 3 of this act.

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

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

15 7. "Retirement bill" means any bill or joint resolution
16 introduced or any bill or joint resolution amended by a member of
17 the Oklahoma Legislature which creates or amends any law directly
18 affecting a retirement system. A retirement bill shall not mean a
19 bill or resolution that impacts the revenue of any state tax in
20 which a portion of the revenue generated from such tax is earmarked
21 for the benefit of a retirement system;

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

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

8 SECTION 2. AMENDATORY 74 O.S. 2021, Section 902, as
9 amended by Section 2, Chapter 146, O.S.L. 2023 (74 O.S. Supp. 2023,
10 Section 902), is amended to read as follows:

11 Section 902. As used in Section 901 et seq. of this title:

12 (1) "System" means the Oklahoma Public Employees Retirement
13 System as established by Section 901 et seq. of this title and as it
14 may hereafter be amended;

15 (2) "Accumulated contributions" means the sum of all
16 contributions by a member to the System which shall be credited to
17 the member's account;

18 (3) "Act" means Sections 901 to 932, inclusive, of this title;

19 (4) "Actuarial equivalent" means a deferred income benefit of
20 equal value to the accumulated deposits or benefits when computed
21 upon the basis of the actuarial tables in use by the System;

22 (5) "Actuarial tables" means the actuarial tables approved and
23 in use by the Board at any given time;

1 (6) "Actuary" means the actuary or firm of actuaries employed
2 by the Board at any given time;

3 (7) "Beneficiary" means any person named by a member to receive
4 any benefits as provided for by Section 901 et seq. of this title.
5 If there is no beneficiary living at time of member employee's
6 death, the member's estate shall be the beneficiary;

7 (8) "Board" means the Oklahoma Public Employees Retirement
8 System Board of Trustees;

9 (9) "Compensation" means all salary and wages, as defined by
10 the Board of Trustees, including amounts deferred under deferred
11 compensation agreements entered into between a member and a
12 participating employer, but exclusive of payment for overtime,
13 payable to a member of the System for personal services performed
14 for a participating employer but shall not include compensation or
15 reimbursement for traveling, or moving expenses, or any compensation
16 in excess of the maximum compensation level, provided:

17 (a) For compensation for service prior to January 1, 1988,
18 the maximum compensation level shall be Twenty-five
19 Thousand Dollars (\$25,000.00) per annum.

20 For compensation for service on or after January 1,
21 1988, through June 30, 1994, the maximum compensation
22 level shall be Forty Thousand Dollars (\$40,000.00) per
23 annum.
24

1 For compensation for service on or after July 1, 1994,
2 through June 30, 1995, the maximum compensation level
3 shall be Fifty Thousand Dollars (\$50,000.00) per
4 annum; for compensation for service on or after July
5 1, 1995, through June 30, 1996, the maximum
6 compensation level shall be Sixty Thousand Dollars
7 (\$60,000.00) per annum; for compensation for service
8 on or after July 1, 1996, through June 30, 1997, the
9 maximum compensation level shall be Seventy Thousand
10 Dollars (\$70,000.00) per annum; and for compensation
11 for service on or after July 1, 1997, through June 30,
12 1998, the maximum compensation level shall be Eighty
13 Thousand Dollars (\$80,000.00) per annum. For
14 compensation for services on or after July 1, 1998,
15 there shall be no maximum compensation level for
16 retirement purposes.

17 (b) Compensation for retirement purposes shall include any
18 amount of elective salary reduction under Section 457
19 of the Internal Revenue Code of 1986 and any amount of
20 nonelective salary reduction under Section 414(h) of
21 the Internal Revenue Code of 1986.

22 (c) Notwithstanding any provision to the contrary, the
23 compensation taken into account for any employee in
24 determining the contribution or benefit accruals for

1 any plan year is limited to the annual compensation
2 limit under Section 401(a)(17) of the federal Internal
3 Revenue Code.

4 (d) Current appointed members of the Oklahoma Tax
5 Commission whose salary is constitutionally limited
6 and is less than the highest salary allowed by law for
7 his or her position shall be allowed, within ninety
8 (90) days from March 21, 2001, to make an election to
9 use the highest salary allowed by law for the position
10 to which the member was appointed for the purposes of
11 making contributions and determination of retirement
12 benefits. Such election shall be irrevocable and be
13 in writing. Reappointment to the same office shall
14 not permit a new election. Members appointed to the
15 Oklahoma Tax Commission after the March 21, 2001,
16 shall make such election, pursuant to this
17 subparagraph, within ninety (90) days of taking
18 office;

19 (10) "Credited service" means the sum of participating service,
20 prior service and elected service;

21 (11) "Dependent" means a parent, child, or spouse of a member
22 who is dependent upon the member for at least one-half (1/2) of the
23 member's support;
24

1 (12) "Effective date" means the date upon which the System
2 becomes effective by operation of law;

3 (13) "Eligible employer" means the state and any county, county
4 hospital, city or town, conservation districts, circuit engineering
5 districts and any public or private trust in which a county, city or
6 town participates and is the primary beneficiary, is to be an
7 eligible employer for the purpose of Section 901 et seq. of this
8 title only, whose employees are covered by Social Security and are
9 not covered by or eligible for another retirement plan authorized
10 under the laws of this state which is in operation on the initial
11 entry date. Emergency medical service districts may join the System
12 upon proper application to the Board. Provided, affiliation by a
13 county hospital shall be in the form of a resolution adopted by the
14 board of control.

15 (a) If a class or several classes of employees of any
16 above-defined employers are covered by Social Security
17 and are not covered by or eligible for and will not
18 become eligible for another retirement plan authorized
19 under the laws of this state, which is in operation on
20 the effective date, such employer shall be deemed an
21 eligible employer, but only with respect to that class
22 or those classes of employees as defined in this
23 section.

(b) A class or several classes of employees who are covered by Social Security and are not covered by or eligible for and will not become eligible for another retirement plan authorized under the laws of this state, which is in operation on the effective date, and when the qualifications for employment in such class or classes are set by state law; and when such class or classes of employees are employed by a county or municipal government pursuant to such qualifications; and when the services provided by such employees are of such nature that they qualify for matching by or contributions from state or federal funds administered by an agency of state government which qualifies as a participating employer, then the agency of state government administering the state or federal funds shall be deemed an eligible employer, but only with respect to that class or those classes of employees as defined in this subsection; provided, that the required contributions to the retirement plan may be withheld from the contributions of state or federal funds administered by the state agency and transmitted to the System on the same basis as the employee and employer contributions are transmitted for the direct employees of the state agency. The

1 retirement or eligibility for retirement under the
2 provisions of law providing pensions for service as a
3 volunteer firefighter shall not render any person
4 ineligible for participation in the benefits provided
5 for in Section 901 et seq. of this title. An employee
6 of any public or private trust in which a county, city
7 or town participates and is the primary beneficiary
8 shall be deemed to be an eligible employee for the
9 purpose of Section 901 et seq. of this title only.

10 (c) All employees of the George Nigh Rehabilitation
11 Institute who elected to retain membership in the
12 System, pursuant to Section 913.7 of this title, shall
13 continue to be eligible employees for the purposes of
14 Section 901 et seq. of this title. The George Nigh
15 Rehabilitation Institute shall be considered a
16 participating employer only for such employees.

17 (d) All employees of CompSource Mutual Insurance Company
18 who retain membership in the Oklahoma Public Employees
19 Retirement System pursuant to Section 913.9 of this
20 title shall continue to be eligible employees for the
21 purposes of the Oklahoma Public Employees Retirement
22 System. CompSource Mutual Insurance Company shall be
23 considered a participating employer only for such
24 employees.

(e) All employees of a successor organization, as defined by Section 5-60.12 of Title 2 of the Oklahoma Statutes, who retain membership in the Oklahoma Public Employees Retirement System pursuant to Section 5-60.35 of Title 2 of the Oklahoma Statutes shall continue to be eligible employees for the purposes of the Oklahoma Public Employees Retirement System. A successor organization shall be considered a participating employer only for such employees.

(f) A participating employer of the Teachers' Retirement System of Oklahoma, who has one or more employees who have made an election pursuant to enabling legislation to retain membership in the System as a result of change in administration, shall be considered a participating employer of the Oklahoma Public Employees Retirement System only for such employees;

(14) "Employee" means any officer or employee of a participating employer, whose employment is not seasonal or temporary and whose employment requires at least one thousand (1,000) hours of work per year and whose salary or wage is equal to the hourly rate of the monthly minimum wage for state employees. For those eligible employers outlined in Section 910 of this title, the rate shall be equal to the hourly rate of the monthly minimum wage for that employer. Each employer, whose minimum wage is less

1 than the state's minimum wage, shall inform the System of the
2 minimum wage for that employer. This notification shall be by
3 resolution of the governing body.

4 (a) Any employee of the county extension agents who is not
5 currently participating in the Teachers' Retirement
6 System of Oklahoma shall be a member of this System.

7 (b) Eligibility shall not include any employee who is a
8 contributing member of the United States Civil Service
9 Retirement System.

10 (c) It shall be mandatory for an officer, appointee or
11 employee of the office of district attorney to become
12 a member of this System if he or she is not currently
13 participating in a county retirement system. Provided
14 further, that if an officer, appointee or employee of
15 the office of district attorney is currently
16 participating in such county retirement system, he or
17 she is ineligible for this System as long as he or she
18 is eligible for such county retirement system. Any
19 eligible officer, appointee or employee of the office
20 of district attorney shall be given credit for prior
21 service as defined in this section. The provisions
22 outlined in Section 917 of this title shall apply to
23 those employees who have previously withdrawn their
24 contributions.

1 (d) Eligibility shall also not include any officer or
2 employee of the Oklahoma Employment Security
3 Commission, except for those officers and employees of
4 the Commission electing to transfer to this System
5 pursuant to the provisions of Section 910.1 of this
6 title or any other class of officers or employees
7 specifically exempted by the laws of this state,
8 unless there be a consolidation as provided by Section
9 912 of this title. Employees of the Oklahoma
10 Employment Security Commission who are ineligible for
11 enrollment in the Oklahoma Employment Security
12 Commission Retirement Plan, that was in effect on
13 January 1, 1964, shall become members of this System.

14 (e) Any employee employed by the Legislative Service
15 Bureau, Senate or House of Representatives for the
16 full duration of a regular legislative session shall
17 be eligible for membership in the System regardless of
18 classification as a temporary employee and may
19 participate in the System during the regular
20 legislative session at the option of the employee.
21 For purposes of this subparagraph, the determination
22 of whether an employee is employed for the full
23 duration of a regular legislative session shall be
24 made by the Legislative Service Bureau if such

1 employee is employed by the Legislative Service
2 Bureau, the Senate if such employee is employed by the
3 Senate, or by the House of Representatives if such
4 employee is employed by the House of Representatives.
5 Each regular legislative session during which the
6 legislative employee or an employee of the Legislative
7 Service Bureau participates full time shall be counted
8 as six (6) months of full-time participating service.

9 (i) Except as otherwise provided by this

10 subparagraph, once a temporary session employee
11 makes a choice to participate or not, the choice
12 shall be binding for all future legislative
13 sessions during which the employee is employed.

14 (ii) Notwithstanding the provisions of division (i) of
15 this subparagraph, any employee, who is eligible
16 for membership in the System because of the
17 provisions of this subparagraph and who was
18 employed by the Senate or House of
19 Representatives after January 1, 1989, may file
20 an election, in a manner specified by the Board,
21 to participate as a member of the System prior to
22 September 1, 1989.

23 (iii) Notwithstanding the provisions of division (i) of
24 this subparagraph, a temporary legislative

1 session employee who elected to become a member
2 of the System may withdraw from the System
3 effective the day such employee elected to
4 participate in the System upon written request to
5 the Board. Any such request must be received by
6 the Board prior to October 1, 1990. All employee
7 contributions made by the temporary legislative
8 session employee shall be returned to the
9 employee without interest within four (4) months
10 of receipt of the written request.

- 11 (iv) A member of the System who did not initially
12 elect to participate as a member of the System
13 pursuant to this subparagraph shall be able to
14 acquire service performed as a temporary
15 legislative session employee for periods of
16 service performed prior to the date upon which
17 the person became a member of the System if:
- 18 a. the member files an election with the System
19 not later than December 31, 2000, to
20 purchase the prior service; and
 - 21 b. the member makes payment to the System of
22 the actuarial cost of the service credit
23 pursuant to subsection A of Section 913.5 of
24 this title. The provisions of Section 913.5

1 of this title shall be applicable to the
2 purchase of the service credit, including
3 the provisions for determining service
4 credit in the event of incomplete payment
5 due to cessation of payments, death,
6 termination of employment or retirement, but
7 the payment may extend for a period not to
8 exceed ninety-six (96) months.

9 (f) "Employee" shall include a person who
10 performed services for the Oklahoma
11 Department of Agriculture, Food and Forestry
12 pursuant to contract entered into between
13 July 1, 1997 and June 30, 2009, and who
14 subsequently became employed as a full time
15 employee by the Department of Agriculture,
16 Food and Forestry;

17 (15) "Entry date" means the date on which an eligible employer
18 joins the System. The first entry date pursuant to Section 901 et
19 seq. of this title shall be January 1, 1964;

20 (16) "Executive Director" means the managing officer of the
21 System employed by the Board under Section 901 et seq. of this
22 title;
23
24

1 (17) "Federal Internal Revenue Code" means the federal Internal
2 Revenue Code of 1954 or 1986, as amended and as applicable to a
3 governmental plan as in effect on July 1, 1999;

4 (18) "Final average compensation" means the average annual
5 compensation, including amounts deferred under deferred compensation
6 agreements entered into between a member and a participating
7 employer, up to, but not exceeding the maximum compensation levels
8 as provided in paragraph (9) of this section received during the
9 highest three (3) of the last ten (10) years of participating
10 service immediately preceding retirement or termination of
11 employment and with respect to members whose first participating
12 service occurs on or after July 1, 2013, the compensation received
13 during the highest five (5) of the last ten (10) years of
14 participating service immediately preceding retirement or
15 termination of employment. Provided, no member shall retire with a
16 final average compensation unless the member has made the required
17 contributions on such compensation, as defined by the Board of
18 Trustees;

19 (19) "Fiscal year" means the period commencing July 1 of any
20 year and ending June 30 of the next year. The fiscal year is the
21 plan year for purposes of the federal Internal Revenue Code;
22 however, the calendar year is the limitation year for purposes of
23 Section 415 of the federal Internal Revenue Code;

1 (20) "Fund" means the Oklahoma Public Employees Retirement Fund
2 as created by Section 901 et seq. of this title;

3 (21) "Leave of absence" means a period of absence from
4 employment without pay, authorized and approved by the employer and
5 acknowledged to the Board, and which after the effective date does
6 not exceed two (2) years;

7 (22) "Member" means an eligible employee or elected official
8 who is in the System and is making the required employee or elected
9 official contributions, or any former employee or elected official
10 who shall have made the required contributions to the System and
11 shall have not received a refund or withdrawal;

12 (23) "Military service" means service in the Armed Forces of
13 the United States by an honorably discharged person during the
14 following time periods, as reflected on such person's Defense
15 Department Form 214, not to exceed five (5) years for combined
16 participating and/or prior service, as follows:

17 (a) during the following periods, including the beginning
18 and ending dates, and only for the periods served,
19 from:

20 (i) April 6, 1917, to November 11, 1918, commonly
21 referred to as World War I,

22 (ii) September 16, 1940, to December 7, 1941, as a
23 member of the 45th Division,
24

- 1 (iii) December 7, 1941, to December 31, 1946, commonly
2 referred to as World War II,
- 3 (iv) June 27, 1950, to January 31, 1955, commonly
4 referred to as the Korean Conflict or the Korean
5 War,
- 6 (v) February 28, 1961, to May 7, 1975, commonly
7 referred to as the Vietnam era, except that:
8 a. for the period from February 28, 1961, to
9 August 4, 1964, military service shall only
10 include service in the Republic of Vietnam
11 during that period, and
12 b. for purposes of determining eligibility for
13 education and training benefits, such period
14 shall end on December 31, 1976, or
- 15 (vi) August 1, 1990, to December 31, 1991, commonly
16 referred to as the Gulf War, the Persian Gulf
17 War, or Operation Desert Storm, but excluding any
18 person who served on active duty for training
19 only, unless discharged from such active duty for
20 a service-connected disability;
- 21 (b) during a period of war or combat military operation
22 other than a conflict, war or era listed in
23 subparagraph (a) of this paragraph, beginning on the
24 date of Congressional authorization, Congressional

1 resolution, or Executive Order of the President of the
2 United States, for the use of the Armed Forces of the
3 United States in a war or combat military operation,
4 if such war or combat military operation lasted for a
5 period of ninety (90) days or more, for a person who
6 served, and only for the period served, in the area of
7 responsibility of the war or combat military
8 operation, but excluding a person who served on active
9 duty for training only, unless discharged from such
10 active duty for a service-connected disability, and
11 provided that the burden of proof of military service
12 during this period shall be with the member, who must
13 present appropriate documentation establishing such
14 service.

15 An eligible member under this paragraph shall include only those
16 persons who shall have served during the times or in the areas
17 prescribed in this paragraph, and only if such person provides
18 appropriate documentation in such time and manner as required by the
19 System to establish such military service prescribed in this
20 paragraph, or for service pursuant to subdivision a of division (v)
21 of subparagraph (a) of this paragraph those persons who were awarded
22 service medals, as authorized by the United States Department of
23 Defense as reflected in the veteran's Defense Department Form 214,
24 related to the Vietnam Conflict for service prior to August 5, 1964;

1 (24) "Normal retirement date" means the date on which a member
2 may retire with full retirement benefits as provided in Section 901
3 et seq. of this title, such date being whichever occurs first:

4 (a) the first day of the month coinciding with or
5 following a member's:

6 (1) sixty-second birthday with respect to members
7 whose first participating service occurs prior to
8 November 1, 2011, or

9 (2) sixty-fifth birthday with respect to members
10 whose first participating service occurs on or
11 after November 1, 2011, or with respect to
12 members whose first participating service occurs
13 on or after November 1, 2011, who reach a minimum
14 age of sixty (60) years and who also reach a
15 normal retirement date pursuant to subparagraph c
16 of this paragraph,

17 (b) for any person who initially became a member prior to
18 July 1, 1992, and who does not reach a normal
19 retirement date pursuant to division (1) of
20 subparagraph (a) of this paragraph, the first day of
21 the month coinciding with or following the date at
22 which the sum of a member's age and number of years of
23 credited service total eighty (80); such a normal
24 retirement date will also apply to any person who

1 became a member of the sending system as defined in
2 Section 901 et seq. of this title, prior to July 1,
3 1992, regardless of whether there were breaks in
4 service after July 1, 1992,

5 (c) for any person who became a member after June 30,
6 1992, but prior to November 1, 2011, and who does not
7 reach a normal retirement date pursuant to division
8 (1) of subparagraph (a) of this paragraph, the first
9 day of the month coinciding with or following the date
10 at which the sum of a member's age and number of years
11 of credited service total ninety (90),

12 (d) in addition to subparagraphs (a), (b) and (c) of this
13 paragraph, the first day of the month coinciding with
14 or following a member's completion of at least twenty
15 (20) years of full-time-equivalent employment as:

16 (i) a correctional or probation and parole officer
17 with the Department of Corrections and at the
18 time of retirement, the member was a correctional
19 or probation and parole officer with the
20 Department of Corrections,

21 (ii) a correctional officer, probation and parole
22 officer or fugitive apprehension agent with the
23 Department of Corrections who is in such position
24 on June 30, 2004, or who is hired after June 30,

1 2004, and who receives a promotion or change in
2 job classification after June 30, 2004, to
3 another position in the Department of
4 Corrections, so long as such officer or agent has
5 at least five (5) years of service as a
6 correctional officer, probation and parole
7 officer or fugitive apprehension agent with the
8 Department, has twenty (20) years of full-time-
9 equivalent employment with the Department and was
10 employed by the Department at the time of
11 retirement,

12 (iii) a firefighter with the Military Department of the
13 State of Oklahoma either employed for the first
14 time on or after July 1, 2002, or who was
15 employed prior to July 1, 2002, in such position
16 and who makes the election authorized by division
17 (2) of subparagraph b of paragraph (9) of
18 subsection A of Section 915 of this title and at
19 the time of retirement, the member was a
20 firefighter with the Military Department of the
21 State of Oklahoma, and such member has at least
22 twenty (20) years of credited service upon which
23 the two and one-half percent (2 1/2%) multiplier
24

1 will be used in calculating the retirement
2 benefit,

3 (iv) a public safety officer employed by the Grand
4 River Dam Authority for the first time on or
5 after July 1, 2016, or

6 (v) a deputy sheriff or jailer employed by any county
7 that is a participating employer in the System
8 for the first time as a deputy sheriff or jailer
9 on or after November 1, 2020,

10 (e) for those fugitive apprehension agents who retire on
11 or after July 1, 2002, the first day of the month
12 coinciding with or following a member's completion of
13 at least twenty (20) years of full-time-equivalent
14 employment as a fugitive apprehension agent with the
15 Department of Corrections and at the time of
16 retirement, the member was a fugitive apprehension
17 agent with the Department of Corrections, or

18 (f) for any member who was continuously employed by an
19 entity or institution within The Oklahoma State System
20 of Higher Education and whose initial employment with
21 such entity or institution was prior to July 1, 1992,
22 and who without a break in service of more than thirty
23 (30) days became employed by an employer participating
24 in the Oklahoma Public Employees Retirement System,

1 the first day of the month coinciding with or
2 following the date at which the sum of the member's
3 age and number of years of credited service total
4 eighty (80);

5 (25) "Participating employer" means an eligible employer who
6 has agreed to make contributions to the System on behalf of its
7 employees;

8 (26) "Participating service" means the period of employment
9 after the entry date for which credit is granted a member or which
10 is otherwise authorized by the provisions of Section 3 of this act,
11 except for purposes of computation of a retirement benefit amount.

12 Provided, on or after the effective date of this act, military
13 service credit purchased under Section 913.8 of this title shall
14 only be considered "participating service" if such service is
15 immediately preceded by a period of employment with a participating
16 employer and followed by a return to service as an employee with the
17 same or another participating employer within ninety (90) days
18 immediately following discharge from such military service;

19 (27) "Prior service" means the period of employment of a member
20 by an eligible employer prior to the member's entry date for which
21 credit is granted a member under Section 901 et seq. of this title.
22 Provided, on or after the effective date of this act, "prior
23 service" shall also include service purchased under Section 913.8 of
24

1 this title which does not meet the requirements of paragraph 26 of
2 this section;

3 (28) "Retirant" or "retiree" means a member who has retired
4 under the System;

5 (29) "Retirement benefit" means a monthly income with benefits
6 accruing from the first day of the month coinciding with or
7 following retirement and ending on the last day of the month in
8 which death occurs or the actuarial equivalent thereof paid in such
9 manner as specified by the member pursuant to Section 901 et seq. of
10 this title or as otherwise allowed to be paid at the discretion of
11 the Board;

12 (30) "Retirement coordinator" means the individual designated
13 by each participating employer through whom System transactions and
14 communication shall be directed;

15 (31) "Social Security" means the old-age survivors and
16 disability section of the federal Social Security Act;

17 (32) "Total disability" means a physical or mental disability
18 accepted for disability benefits by the federal Social Security
19 System;

20 (33) "Service-connected disability benefits" means military
21 service benefits which are for a service-connected disability rated
22 at twenty percent (20%) or more by the Veterans Administration or
23 the Armed Forces of the United States;

1 (34) "Elected official" means a person elected to a state
2 office in the legislative or executive branch of state government or
3 a person elected to a county office for a definite number of years
4 and shall include an individual who is appointed to fill the
5 unexpired term of an elected state official;

6 (35) "Elected service" means the period of service as an
7 elected official;

8 (36) "Limitation year" means the year used in applying the
9 limitations of Section 415 of the Internal Revenue Code of 1986,
10 which year shall be the calendar year; and

11 (37) "Public safety officers of the Grand River Dam Authority"
12 means those persons hired by the Grand River Dam Authority on or
13 after March 21, 2001, who are certified by the Council on Law
14 Enforcement Education and Training or an equivalent certifying
15 entity for law enforcement personnel training and who perform law
16 enforcement functions as part of their regularly assigned duties and
17 responsibilities on a full-time basis. With respect to any public
18 safety officer hired by the Grand River Dam Authority on or after
19 March 21, 2001, any earned benefits or credits toward retirement
20 benefits from previous participation within the Oklahoma Public
21 Employees Retirement System or the Oklahoma Law Enforcement
22 Retirement System shall remain within that system.
23
24

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 913.1b of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 Members of the Oklahoma Public Employees Retirement System as of
5 June 30, 2024, who performed services for the Oklahoma Department of
6 Agriculture, Food and Forestry pursuant to a contract entered into
7 between July 1, 1997 and June 30, 2009, shall receive, for purposes
8 of computing a normal retirement date or age in the System, but not
9 for purposes of any retirement benefit computation, credit for the
10 period of time during such employee was performing services under
11 that contract. The service credit authorized by this section may
12 only be used in order to determine eligibility for retirement from
13 the System.

14 SECTION 4. AMENDATORY 74 O.S. 2021, Section 840-2.18, as
15 last amended by Section 1, Chapter 18, 1st Extraordinary Session,
16 O.S.L. 2023 (74 O.S. Supp. 2023, Section 840-2.18), is amended to
17 read as follows:

18 Section 840-2.18 A. A longevity pay plan is hereby adopted.
19 This plan applies to all state employees, excluding members of
20 boards and commissions, institutions under the administrative
21 authority of the Oklahoma State Regents for Higher Education,
22 employees of public school districts, and elected officials. The
23 plan shall also apply to those employees of the Oklahoma School for
24 the Blind and the Oklahoma School for the Deaf who qualify for

1 longevity pay in accordance with subsection G of Section 1419 of
2 Title 10 of the Oklahoma Statutes.

3 B. The Oklahoma Conservation Commission is hereby authorized to
4 establish a longevity pay program for employees of the conservation
5 districts employed under Section 3-3-103 of Title 27A of the
6 Oklahoma Statutes. Such longevity pay program shall be consistent
7 with the longevity pay program for state employees authorized under
8 this title and payments shall be made in a manner consistent with
9 procedures for reimbursement to conservation districts.

10 C. To be eligible for longevity pay, employees must have been
11 continuously employed in the service of the state for a minimum of
12 two (2) years in full-time status or in part-time status working
13 more than one thousand (1,000) hours a year.

14 For purposes of this section, a break in service of thirty (30)
15 calendar days or less shall not be considered an interruption of
16 continuous service; a break in service of more than thirty (30)
17 calendar days shall mark an end to continuous service. The
18 legislative session employees who have worked for two (2) years or
19 more in part-time status and are eligible for state retirement
20 benefits, but do not receive other longevity payments, shall be
21 eligible and shall be considered to have been continuously employed
22 for purposes of calculating longevity payments, notwithstanding the
23 provisions of subsection E of this section.

D. 1. Longevity pay for the first twenty (20) years of service shall be determined pursuant to the following schedule:

Years of Service	Annual Longevity Payment
At least 2 years but less than 4 years	\$250.00
At least 4 years but less than 6 years	\$426.00
At least 6 years but less than 8 years	\$626.00
At least 8 years but less than 10 years	\$850.00
At least 10 years but less than 12 years	\$1,062.00
At least 12 years but less than 14 years	\$1,250.00
At least 14 years but less than 16 years	\$1,500.00
At least 16 years but less than 18 years	\$1,688.00
At least 18 years but less than 20 years	\$1,900.00
At least 20 years	\$2,000.00

2. For each additional two (2) years of service after the first twenty (20) years an additional Two Hundred Dollars (\$200.00) shall

1 be added to the amount stated above for twenty (20) years of
2 service.

3 The total amount of the annual longevity payment made to an
4 employee by any and all state agencies in any year shall not exceed
5 the amount shown on the table corresponding to that employee's years
6 of service with the state, except as otherwise provided by Section
7 840-2.28 of this title. Further, no employee shall receive
8 duplicating longevity payments for the same periods of service with
9 any and all agencies, except as otherwise provided by Section 840-
10 2.28 of this title.

11 E. To determine years of service, cumulative periods of full-
12 time employment or part-time employment working more than one
13 hundred fifty (150) hours per month with the state excluding service
14 as specified in subsection A of this section are applicable. Part-
15 time employment, working one hundred fifty (150) hours per month or
16 less for the state, excluding service as specified in subsection A
17 of this section, shall be counted only if:

18 1. The period of employment was continuous for at least five
19 (5) months; and

20 2. a. The person worked more than two-fifths (2/5) time.

21 Other employment shall not be counted as service for purposes of
22 longevity payments. Further, no period of employment with the
23 state, whether with one or more than one agency, shall be counted as
24 more than full-time service.

1 b. For purposes of the computation required by this
2 section, any service performed by a person during
3 which the person received compensation for duties
4 performed for the state shall be counted if payment
5 for such service was made using state fiscal
6 resources. The provisions of this paragraph shall not
7 apply to elected or appointed justices or judges,
8 including special judges, who perform services in the
9 trial or appellate courts. The provisions of this
10 section shall apply to persons who perform services as
11 an administrative law judge within the executive
12 department and employees of the judicial branch.

13 c. For purposes of the computation required by this
14 section, any service performed pursuant to a contract
15 for the Oklahoma Department of Agriculture, Food and
16 Forestry between July 1, 1997, and June 30, 2009,
17 shall be included as if such period of time had been
18 performed by full time equivalent employees of the
19 Oklahoma Department of Agriculture, Food and Forestry
20 or its predecessor entity, if the person performing
21 such services became employed by the Oklahoma
22 Department of Agriculture, Food and Forestry after the
23 last date as of which the person performed services
24 for the agency pursuant to a contract. The provisions

1 of this subparagraph shall only be used for
2 computation of the longevity payment otherwise
3 authorized for payments made on or after the effective
4 date of this act and shall not be used for any
5 retroactive payments for any period prior to the
6 effective date of this act.

7 F. Years of service under the administrative authority of the
8 Oklahoma State Regents for Higher Education or the administrative
9 authority of the Oklahoma Department of Career and Technology
10 Education of any employee who is now employed in a job
11 classification which is eligible for longevity pay shall be included
12 in years of service for purposes of determining longevity pay.

13 G. Years of service shall be certified through the current
14 employing agency by the appointing authority on a form approved by
15 the Office of Management and Enterprise Services. The form shall be
16 completed and posted as directed by the Director of the Office of
17 Management and Enterprise Services by the current employing agency
18 when the employee initially enters on duty with the agency and
19 thereafter whenever the employee's anniversary date is changed.

20 H. Eligible employees, in full-time status or in part-time
21 status working more than one hundred fifty (150) hours per month,
22 shall receive one (1) lump-sum annual payment, in the amount
23 provided on the preceding schedule, during the month following the
24 anniversary date of the employee's most recent enter-on-duty day

1 with the state. Upon implementation of the statewide information
2 systems project, the lump-sum annual payment may be paid concurrent
3 with the final payroll of the month of the employee's anniversary
4 date. Eligible part-time employees who work one hundred fifty (150)
5 hours per month or less shall receive one (1) lump-sum annual
6 payment, based on the formula in subsection L of this section,
7 during the month following the anniversary date of the employee's
8 most recent enter-on-duty day with the state. To receive longevity
9 pay an employee must be in pay status on or after his or her
10 anniversary date.

11 Eligible employees who would not otherwise receive annual
12 longevity payments because their employment includes regular periods
13 of leave without pay in excess of thirty (30) calendar days shall
14 receive one (1) lump-sum annual payment, based on the formula in
15 subsection L of this section, during:

16 1. The month of August if the employee is in pay status on July
17 1; or

18 2. During the month following the employee's first return to
19 duty that fiscal year if the employee is not in pay status on July
20 1.

21 Except as otherwise provided by Section 840-2.28 of this title,
22 employees terminated as a result of a reduction-in-force or retiring
23 from state employment shall receive upon said termination or
24 retirement the proportionate share of any longevity payment which

1 may have accrued as of the date of termination or retirement.

2 Provided further that, the proportionate share of any longevity
3 payment which may have accrued as of the date of death of an
4 employee shall be made to the surviving spouse of the employee or if
5 there is no surviving spouse to the estate of the employee.

6 I. Periods of leave without pay taken in accordance with
7 Section 840-2.21 of this title shall be counted as service. Other
8 periods of nonpaid leave status in excess of thirty (30) calendar
9 days shall not mark a break in service; however, they shall:

10 1. Not be used in calculating total months of service for
11 longevity pay purposes; and

12 2. Extend the anniversary date for longevity pay by the total
13 period of time on nonpaid leave status except as provided in
14 subsection H of this section for employees whose conditions of
15 employment include regular periods of leave without pay.

16 J. Employees currently receiving longevity pay who work for the
17 Oklahoma Department of Career and Technology Education shall not be
18 eligible for the longevity pay plan provided for in this section.

19 K. A break in service with the state in excess of thirty (30)
20 days but which does not exceed two (2) years which was caused by a
21 reduction-in-force shall be treated as if it were a period of
22 nonpaid leave status as provided for in subsection I of this section
23 for the purpose of calculating total months of service for longevity
24

1 pay. This subsection shall only apply to state employees laid off
2 after June 30, 1982.

3 L. Eligible part-time employees working less than one hundred
4 fifty (150) hours per month and other eligible employees with
5 regular annual periods of leave without pay of more than thirty (30)
6 calendar days will receive a prorated share of the "Annual Longevity
7 Payment" authorized in subsection D of this section. The prorated
8 amount of payment will be based on actual hours worked in the
9 immediately preceding twelve (12) months.

10 M. An employee shall not be entitled to retroactive longevity
11 payments as a result of amendments to this section unless
12 specifically authorized by law.

13 N. The Director of the Office of Management and Enterprise
14 Services is authorized to promulgate such Longevity Pay Plan Rules
15 as he or she finds necessary to carry out the provisions of this
16 section.

17 O. As of July 1, 1998, years of service with a city-county
18 health department for employees who left a city-county health
19 department for employment with the Department of Environmental
20 Quality or the Oklahoma Department of Agriculture, Food, and
21 Forestry, between July 1, 1993, and July 1, 1998, and who are now
22 employed in a job classification that is eligible for longevity pay
23 pursuant to this section, shall be included in years of service for
24 purposes of determining longevity pay subsequent to July 1, 1998.

1 P. As of July 1, 2003, years of service with a local
2 conservation district shall be included in years of service for
3 purposes of determining longevity pay for local conservation
4 district employees transferred to the Oklahoma Conservation
5 Commission pursuant to the provisions of this section.

6 SECTION 5. Section 1 of this act shall become effective October
7 1, 2024.

8 SECTION 6. Sections 2, 3, and 4 of this act shall become
9 effective November 1, 2024.

10
11 59-2-10126 MAH 02/14/24
12
13
14
15
16
17
18
19
20
21
22
23
24