

1 ENGROSSED SENATE
2 BILL NO. 630

By: Montgomery of the Senate

3 and

4 Lepak of the House
5

6 An Act relating to state retirement systems; amending
7 11 O.S. 2021, Sections 49-106, 49-106.1, as amended
8 by Section 5, Chapter 232, O.S.L. 2022, 49-106.5, 49-
9 109, 50-114, as amended by Section 1, Chapter 228,
10 O.S.L. 2022, 50-114.4, and 50-115, as amended by
11 Section 3, Chapter 306, O.S.L. 2022 (11 O.S. Supp.
12 2022, Section 49-106.1, 50-114, and 50-115), which
13 relate to the Oklahoma Firefighters Pension and
14 Retirement System and the Oklahoma Police Pension and
15 Retirement System; updating statutory compliance with
16 federal regulations; conforming language; amending 47
17 O.S. 2021, Sections 2-300, 2-305, as amended by
18 Section 2, Chapter 255, O.S.L. 2022, and 2-305.1C (47
19 O.S. Supp. 2022, Section 2-305), which relate to the
20 Oklahoma Law Enforcement Retirement System; updating
21 statutory compliance with federal regulations;
22 conforming language; updating statutory reference;
23 updating statutory language; and declaring an
24 emergency.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 49-106, is
amended to read as follows:

Section 49-106. A. Any firefighter who reaches the
firefighter's normal retirement date shall be entitled, upon written
request, to retire from such service and be paid from the Oklahoma
Firefighters Pension and Retirement System a monthly pension equal

1 to the member's accrued retirement benefit; provided, that the
2 pension shall cease during any period of time the member may
3 thereafter serve for compensation in any municipal fire department
4 in the state. If such a member is reemployed by a participating
5 municipality in a position which is not covered by the System,
6 retirement shall also include receipt by such member of in-service
7 distributions from the System.

8 B. With respect to distributions under the System made for
9 calendar years beginning on or after January 1, 2005, the System
10 shall apply the minimum distribution incidental benefit
11 requirements, incidental benefit requirements, and minimum
12 distribution requirements of Section 401(a)(9) of the Internal
13 Revenue Code of 1986, as amended, in accordance with the final
14 regulations under Section 401(a)(9) of the Internal Revenue Code of
15 1986, as amended, including Treasury Regulations Sections
16 1.401(a)(9)-1 through 1.401(a)(9)-9; provided, however, that for
17 distributions required to be made after December 31, 2019, for
18 individuals who attain seventy and one-half (70 1/2) years of age
19 after December 31, 2019, but before January 1, 2023, such
20 distributions shall take into account that age 70 1/2 was stricken
21 and age 72 was inserted in Section 401(a)(9)(B)(iv)(I), Section
22 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal
23 Revenue Code of 1986, as amended, and, provided further, that for
24 individuals who attain seventy-two (72) years of age after December

1 31, 2022, such distributions shall take into account that "age 72"
2 was stricken and "the applicable age", as defined in Section
3 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended,
4 was inserted in Section 401(a)(9)(B)(iv)(I), Section
5 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal
6 Revenue Code of 1986, as amended, in all cases notwithstanding any
7 provision of the System to the contrary. With respect to
8 distributions under the System made for calendar years beginning on
9 or after January 1, 2001, through December 31, 2004, the System
10 shall apply the minimum distribution requirements and incidental
11 benefit requirements of Section 401(a)(9) of the Internal Revenue
12 Code of 1986, as amended, in accordance with the regulations under
13 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
14 which were proposed in January 2001, notwithstanding any provision
15 of the System to the contrary. Effective July 1, 1989,
16 notwithstanding any other provision contained herein to the
17 contrary, in no event shall commencement of distribution of the
18 accrued retirement benefit of a member be delayed beyond April 1 of
19 the calendar year following the later of:

20 1. The calendar year in which the member reaches seventy and
21 one-half (70 1/2) years of age for a member who attains age seventy
22 and one-half (70 1/2) before January 1, 2020, or effective for
23 distributions required to be made after December 31, 2019, but
24 before January 1, 2023, the calendar year in which the member

1 reaches seventy-two (72) years of age for an individual who attains
2 age seventy and one-half (70 1/2) after December 31, 2019, or
3 effective for distributions required to be made after December 31,
4 2022, the calendar year in which the member reaches seventy-three
5 (73) years of age for an individual who attains age seventy-two (72)
6 after December 31, 2022, or "the applicable age", as defined in
7 Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as
8 amended, if later; or

9 2. The actual retirement date of the member.

10 Effective September 8, 2009, notwithstanding anything to the
11 contrary of the System, the System, which is a governmental plan
12 (within the meaning of Section 414(d) of the Internal Revenue Code
13 of 1986, as amended) is treated as having complied with Section
14 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all
15 years to which Section 401(a)(9) of the Internal Revenue Code of
16 1986, as amended, applies to the System if the System complies with
17 a reasonable and good-faith interpretation of Section 401(a)(9) of
18 the Internal Revenue Code of 1986, as amended.

19 C. Any member or beneficiary eligible to receive a monthly
20 benefit from the System may make an election to waive all or a
21 portion of monthly benefits.

22 D. If the requirements of Section 49-106.5 of this title are
23 satisfied, a member who, by reason of attainment of normal
24 retirement date or age, is separated from service as a public safety

1 officer with the member's participating municipality, may elect to
2 have payment made directly to the provider for qualified health
3 insurance premiums by deduction from his or her monthly pension
4 payment, after December 31, 2006, in accordance with Section ~~402(1)~~
5 402(1) of the Internal Revenue Code of 1986, as amended. For
6 distributions made after December 29, 2022, the election provided
7 for under Section 402(1) of the Internal Revenue Code of 1986, as
8 amended, may be made whether payment of the premiums is made
9 directly to the provider of the accident or health plan or qualified
10 long-term care insurance contract by deduction from a distribution
11 from the System or is made to the member.

12 SECTION 2. AMENDATORY 11 O.S. 2021, Section 49-106.1, as
13 amended by Section 5, Chapter 232, O.S.L. 2022 (11 O.S. Supp. 2022,
14 Section 49-106.1), is amended to read as follows:

15 Section 49-106.1. A. In lieu of terminating employment and
16 accepting a service retirement pension pursuant to Sections 49-101
17 and 49-106 of this title, any member of the Oklahoma Firefighters
18 Pension and Retirement System serving as an active firefighter in a
19 fire department of a participating municipality who has not less
20 than twenty (20) years of creditable service may elect to
21 participate in the Oklahoma Firefighters Deferred Option Plan and
22 defer the receipts of benefits in accordance with the provisions of
23 this section.
24

1 B. For purposes of this section, creditable service shall
2 include service credit reciprocally recognized pursuant to Sections
3 49-100.1 through 49-100.8 and Sections 49-101, 49-101.1 and 49-101.2
4 of this title but for eligibility purposes only.

5 C. The duration of participation in the Oklahoma Firefighters
6 Deferred Option Plan for active firefighters shall not exceed five
7 (5) years. Participation in the Oklahoma Firefighters Deferred
8 Option Plan must begin the first day of a month and end on the last
9 day of a month. At the conclusion of a member's participation in
10 the Oklahoma Firefighters Deferred Option Plan, the member shall
11 terminate employment with all participating municipalities as a
12 firefighter, and shall start receiving the member's accrued monthly
13 retirement benefit from the System. Such a member may be reemployed
14 by a participating municipality but only in a position not covered
15 under the System, and receive in-service distributions of such
16 member's accrued monthly retirement benefit from the System.

17 D. When a member begins participation in the Oklahoma
18 Firefighters Deferred Option Plan, the contribution of the member
19 shall cease. The employer contributions shall continue to be paid
20 in accordance with subsection B of Section 49-122 of this title.
21 Employer contributions for members who elect the Oklahoma
22 Firefighters Deferred Option Plan shall be credited equally to the
23 Oklahoma Firefighters Pension and Retirement System and to the
24 member's Oklahoma Firefighters Deferred Option Plan account. The

1 monthly retirement benefits that would have been payable had the
2 member elected to cease employment and receive a service retirement
3 shall be paid into the member's Oklahoma Firefighters Deferred
4 Option Plan account.

5 E. 1. A member who participates in this plan shall be eligible
6 to receive cost-of-living increases.

7 2. A member who participates in this plan shall earn interest
8 at a rate of two percentage points below the rate of return of the
9 investment portfolio of the System, but no less than the actuarial
10 assumed interest rate as certified by the actuary in the yearly
11 evaluation report of the actuary. The interest shall be credited to
12 the individual account balance of the member on an annual basis.

13 3. Effective November 1, 2013, the Oklahoma Firefighters
14 Deferred Option Plan account for a member whose first service with a
15 participating municipality of the System occurs on or after November
16 1, 2013, and who participates for the first time in the Oklahoma
17 Firefighters Deferred Option Plan on or after November 1, 2013, and
18 has completed active participation in the Oklahoma Firefighters
19 Deferred Option Plan, shall earn interest at a rate equal to the
20 actual rate of return of the investment portfolio of the System,
21 less one (1) percentage point to offset administrative costs of the
22 System as determined by the System.

23 F. A member in the plan shall receive, at the option of the
24 member, a lump-sum payment from the account equal to the payments to

1 the account or an annuity based upon the account of the member or
2 may elect any other method of payment if approved by the Board of
3 Trustees. If a member becomes so physically or mentally disabled
4 while in, or in consequence of, the performance of his or her duty
5 as to prevent the effective performance of his or her duties that
6 the State Board approves an in-line-of-duty disability pension, the
7 payment from the account shall be an in-line-of-duty disability
8 payment. Notwithstanding any other provision contained herein to
9 the contrary, commencement of distributions under the Oklahoma
10 Firefighters Deferred Option Plan shall be no later than the time as
11 set forth in subsection B of Section 49-106 of this title and a
12 member whose first service with a participating municipality of the
13 System occurs on or after November 1, 2013, and who participates for
14 the first time in the Oklahoma Firefighters Deferred Option Plan on
15 or after November 1, 2013, must receive a distribution of the entire
16 remaining balance in the member's Oklahoma Firefighters Deferred
17 Option Plan account no later than April 1 of the calendar year
18 following the later of:

19 1. The calendar year in which the member reaches seventy and
20 one-half (70 1/2) years of age for a member who attains age seventy
21 and one-half (70 1/2) before January 1, 2020, or effective for
22 distributions required to be made after December 31, 2019, but
23 before January 1, 2023, the calendar year in which the member
24 reaches seventy-two (72) years of age for an individual who attains

1 age seventy and one-half (70 1/2) after December 31, 2019, or
2 effective for distributions required to be made after December 31,
3 2022, the calendar year in which the member reaches seventy-three
4 (73) years of age for an individual who attains age seventy-two (72)
5 after December 31, 2022, or "the applicable age", as defined in
6 Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as
7 amended, if later; or

8 2. The actual retirement date of the member.

9 G. If a member dies while maintaining an account balance in the
10 plan the System shall pay to the designated recipient or recipients
11 of the member, or if there is no designated recipient or if the
12 designated recipient predeceases the member, to the spouse of the
13 member, or if there is no spouse or if the spouse predeceases the
14 member, to the estate of the member a lump-sum payment equal to the
15 account balance of the member. If such member was receiving, or
16 eligible to receive, an in-line-of-duty disability pension at the
17 time of his or her death, payment of the account balance shall be an
18 in-line-of-duty disability payment. If a designated recipient is
19 the surviving spouse of the member, the surviving spouse shall
20 receive his or her portion of the account balance of the member
21 pursuant to subsection F of this section. The surviving spouse,
22 whether or not he or she is a designated recipient of the member,
23 may elect to receive his or her portion of the account balance of
24 the member in the same manner as was applicable to the member.

1 H. In lieu of participating in the Oklahoma Firefighters
2 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of
3 this section, a member may elect to participate in the Oklahoma
4 Firefighters Deferred Option Plan pursuant to this subsection as
5 follows:

6 1. For purposes of this subsection and subsection I of this
7 section, the following definitions shall apply:

8 a. "back drop date" means the member's normal retirement
9 date or the date five (5) years before the member
10 elects to participate in the Oklahoma Firefighters
11 Deferred Option Plan, whichever date is later,

12 b. "termination date" means the date the member elects to
13 participate in the Oklahoma Firefighters Deferred
14 Option Plan pursuant to this subsection, and the date
15 the member terminates employment with all
16 participating municipalities as an active firefighter,

17 c. "earlier attained credited service" means the credited
18 service earned by a member as of the back drop date,
19 and

20 d. "deferred benefit balance" means all monthly
21 retirement benefits that would have been payable had
22 the member elected to cease employment on the back
23 drop date and receive a service retirement from the
24 back drop date to the termination date, all the

1 member's contributions and one-half (1/2) of the
2 employer contributions from the back drop date to the
3 termination date, with interest based on how the
4 benefit would have accumulated on a compound annual
5 basis as if the member had participated in the
6 Oklahoma Firefighters Deferred Option Plan pursuant to
7 subsections A, B, C, D, E and F of this section from
8 the back drop date to the termination date; and

9 2. At the termination date, the monthly pension benefit shall
10 be determined based on earlier attained credited service and on the
11 final average salary as of the back drop date. The member's
12 individual deferred option account shall be credited with an amount
13 equal to the deferred benefit balance, the member shall terminate
14 employment with all participating municipalities as a firefighter,
15 and shall start receiving the member's accrued monthly retirement
16 benefit from the System. Such a member may be reemployed by a
17 participating municipality but only in a position not covered under
18 the System, and receive in-service distributions of such member's
19 accrued monthly retirement benefit from the System. The provisions
20 of subsections B, C, E, F and G of this section shall apply to this
21 subsection. A member shall not participate in the Oklahoma
22 Firefighters Deferred Option Plan pursuant to this subsection if the
23 member has elected to participate in the Oklahoma Firefighters
24

1 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of
2 this section.

3 I. Certain surviving spouses and members shall be eligible to
4 participate in the Oklahoma Firefighters Deferred Option Plan
5 pursuant to subsection H of this section and this subsection.

6 1. For purposes of this subsection, the following definitions
7 shall apply:

8 a. "back drop election date" means the date the surviving
9 spouse or member elects to commence participation in
10 the Oklahoma Firefighters Deferred Option Plan
11 pursuant to subsection H of this section and this
12 subsection,

13 b. "interest" means the actuarial assumed interest rate
14 as certified by the actuary in the yearly evaluation
15 report of the actuary,

16 c. "monthly adjustment amount" means the difference
17 between the monthly pension prior to the back drop
18 election and the adjusted monthly pension due to the
19 back drop election,

20 d. "back drop pension adjustment amount" means the sum of
21 all the monthly adjustment amounts adjusted for
22 interest from the pension commencement date to the
23 back drop election date, and
24

1 e. "deferred benefit balance adjustment amount" means the
2 interest on the deferred benefit balance from the
3 pension commencement date to the back drop election
4 date.

5 2. If a member who has more than twenty (20) years of
6 creditable service and is eligible to receive a service retirement
7 pension dies on or after June 4, 2007, and prior to terminating
8 employment, the member's surviving spouse shall be eligible to elect
9 to receive a benefit determined as if the member had elected to
10 participate in the Oklahoma Firefighters Deferred Option Plan in
11 accordance with subsection H of this section on the day immediately
12 preceding such member's death. Prior to July 1, 2010, the surviving
13 spouse must make any such election within one (1) year from the date
14 of the member's death. Effective July 1, 2010, the surviving spouse
15 must make any such election within ninety (90) days from the date of
16 the member's death. If on or after June 4, 2007, such election is
17 made, the monthly pension such surviving spouse is entitled to
18 receive shall be adjusted in accordance with the provisions of
19 subsection H of this section to account for the member's
20 participation in the Oklahoma Firefighters Deferred Option Plan.
21 The surviving spouse may only make this election if the member has
22 not previously elected to participate in the Oklahoma Firefighters
23 Deferred Option Plan. For purposes of this election, the surviving
24 spouse must have been married to the firefighter for the thirty (30)

1 continuous months preceding the firefighter's death; provided, the
2 surviving spouse of a member who died while in, or as a consequence
3 of, the performance of the member's duty for a participating
4 municipality shall not be subject to the marriage limitation for
5 this election.

6 3. If a member has more than twenty (20) years of creditable
7 service and is eligible for a retirement for disability monthly
8 pension pursuant to Section 49-109 of this title on or after June 4,
9 2007, such member shall be eligible to elect to receive a benefit
10 determined as if the member had elected to participate in the
11 Oklahoma Firefighters Deferred Option Plan, in accordance with
12 subsection H of this section, on the day immediately preceding the
13 date of the member's disability retirement, provided such election
14 is made within two (2) years from the date of the member's
15 disability retirement. The disability monthly pension such member
16 is receiving, or entitled to receive, shall be adjusted in
17 accordance with the provisions of subsection H of this section to
18 account for the member's participation in the Oklahoma Firefighters
19 Deferred Option Plan. The deferred benefit balance such member is
20 entitled to receive shall be reduced by the back drop pension
21 adjustment amount and increased by the deferred benefit balance
22 adjustment amount. The member may only make a back drop election if
23 the deferred benefit balance after the adjustment described in this
24 paragraph is greater than Zero Dollars (\$0.00). The member may only

1 make this election if the member has not previously elected to
2 participate in the Oklahoma Firefighters Deferred Option Plan.

3 4. If a member has more than twenty (20) years of creditable
4 service and filed a grievance for wrongful termination occurring on
5 or after June 4, 2007, or is not a member of a collective bargaining
6 organization as a firefighter, is involuntarily terminated and is
7 seeking to have his or her position as a firefighter reinstated
8 through a legal process, but is not reinstated as an active member,
9 such member shall be eligible to elect to receive a benefit
10 determined as if the member had elected to participate in the
11 Oklahoma Firefighters Deferred Option Plan in accordance with
12 subsection H of this section on the day immediately preceding the
13 date of the member's termination. Such election must be made within
14 two (2) years from the date of the member's termination as an active
15 member and, if the member's case pertaining to the member's
16 termination is on appeal to a court of competent jurisdiction,
17 within such period set by the State Board in its sole discretion.
18 The monthly pension such member is receiving, or entitled to
19 receive, shall be adjusted in accordance with the provisions of
20 subsection H of this section to account for the member's
21 participation in the Oklahoma Firefighters Deferred Option Plan.
22 The deferred benefit balance such member is entitled to receive
23 shall be reduced by the back drop pension adjustment amount and
24 increased by the deferred benefit balance adjustment amount. The

1 member may only make a back drop election if the deferred benefit
2 balance after the adjustment described in this paragraph is greater
3 than Zero Dollars (\$0.00). The member may only make this election
4 if the member has not previously elected to participate in the
5 Oklahoma Firefighters Deferred Option Plan.

6 5. Subparagraphs d and e of paragraph 1 and paragraphs 3 and 4
7 of this subsection are effective June 4, 2007, provided the Internal
8 Revenue Service issues a favorable determination letter for the
9 System which includes the provisions of such subparagraphs and
10 paragraphs without modification or as modified to conform to any
11 changes required by the Internal Revenue Service as part of its
12 determination letter review process. In the event the Internal
13 Revenue Service does not issue such a determination letter which
14 includes the provisions of such subparagraphs or paragraphs without
15 modification or as modified to conform to any changes required by
16 the Internal Revenue Service as part of its determination letter
17 review process, then subparagraphs d and e of paragraph 1 and
18 paragraphs 3 and 4 of this subsection shall be repealed effective
19 June 4, 2007.

20 SECTION 3. AMENDATORY 11 O.S. 2021, Section 49-106.5, is
21 amended to read as follows:

22 Section 49-106.5. A. A member who is an eligible retired
23 public safety officer and who wishes to have direct payments made
24 toward the member's qualified health insurance premiums from the

1 member's monthly disability benefit or monthly pension payment must
2 make a written election in accordance with Section ~~402(1)~~ 402(1) of
3 the Internal Revenue Code of 1986, as amended, on the form provided
4 by the Oklahoma Firefighters Pension and Retirement System, as
5 follows:

6 1. The election must be made after the member separates from
7 service as a public safety officer with the member's participating
8 municipality;

9 2. The election shall only apply to distributions from the
10 System after December 31, 2006, and to amounts not yet distributed
11 to the eligible retired public safety officer;

12 3. ~~Direct payments~~ Payments from the system for an eligible
13 retired public safety officer's qualified health insurance premiums
14 made directly to the provider of such coverage can only be made from
15 the member's monthly disability benefit or monthly pension payment
16 from the System and cannot be made from the Deferred Option Plan;
17 and

18 4. The aggregate amount of the exclusion from an eligible
19 retired public safety officer's gross income is Three Thousand
20 Dollars (\$3,000.00) per calendar year.

21 B. As used in this section:

22 1. "Public safety officer" means a member serving a public
23 agency in an official capacity, with or without compensation, as a
24

1 law enforcement officer, firefighter, chaplain, or as a member of a
2 rescue squad or ambulance crew;

3 2. "Eligible retired public safety officer" means a member who,
4 by reason of disability or attainment of normal retirement date or
5 age, is separated from service as a public safety officer with the
6 member's participating municipality; and

7 3. "Qualified health insurance premiums" are premiums for
8 coverage for the eligible retired public safety officer, the
9 eligible retired public safety officer's spouse, and dependents, as
10 defined in Section 152 of the Internal Revenue Code of 1986, as
11 amended, by an accident or health plan or a qualified long-term care
12 insurance contract, as defined in Section 7702B(b) of the Internal
13 Revenue Code of 1986, as amended. The health plan does not have to
14 be sponsored by the eligible retired public safety officer's former
15 participating municipality.

16 C. The Oklahoma Firefighters Pension and Retirement Board ~~shall~~
17 may promulgate such rules or procedures as are necessary to
18 implement the provisions of this section or to facilitate a member's
19 election under Section 402(1) of the Internal Revenue Code of 1986,
20 as amended.

21 SECTION 4. AMENDATORY 11 O.S. 2021, Section 49-109, is
22 amended to read as follows:

23 Section 49-109. A. Whenever any firefighter serving in any
24 capacity in a regularly constituted fire department of a

1 municipality shall become so physically or mentally disabled while
2 in, or in consequence of, the performance of the firefighter's duty
3 as to prevent the effective performance of the firefighter's duties,
4 the State Board may, upon the firefighter's written request, or
5 without such request if the State Board deems it for the good of the
6 department, retire the firefighter from active service, and if so
7 retired, shall direct that the firefighter be paid from the System a
8 monthly pension equal to the greater of:

9 1. Fifty percent (50%) of the average monthly salary which was
10 paid to the firefighter during the last thirty (30) months of the
11 firefighter's service; or

12 2. Two and one-half percent (2 1/2%) of the firefighter's final
13 average salary multiplied by the member's years of credited service,
14 not to exceed thirty (30) years, provided such firefighter has
15 completed twenty (20) or more years of credited service.

16 B. If the disability ceases within two (2) years from the date
17 of the firefighter's disability retirement and before the
18 firefighter's normal retirement date, the formerly disabled person
19 shall be restored to active service at the salary attached to the
20 rank the firefighter held at the time of the firefighter's
21 disability retirement provided the firefighter is capable of
22 performing the duties of a firefighter. Whenever such disability
23 shall cease, such disability pension provided pursuant to paragraph
24 1 of subsection A of this section shall cease. If a firefighter

1 participates in the Oklahoma Firefighters Deferred Option Plan
2 pursuant to Section 49-106.1 of this title, the firefighter's
3 disability pension provided pursuant to this subsection shall be
4 reduced to account for the firefighter's participation in the
5 Oklahoma Firefighters Deferred Option Plan.

6 C. Whenever any firefighter, who has served in any capacity in
7 a regularly constituted fire department of a municipality of the
8 state, and who has served less than the firefighter's normal
9 retirement date, shall become so physically or mentally disabled
10 from causes not arising in the line of duty as to prevent the
11 effective performance of the firefighter's duties, the firefighter
12 shall be entitled to a pension during the continuance of ~~said~~ such
13 disability based upon the firefighter's service period which shall
14 be fifty percent (50%) of the average monthly salary which was paid
15 to the firefighter during the last sixty (60) months of the
16 firefighter's service.

17 D. No firefighter shall accrue additional service time while
18 receiving a disability pension; provided further, that nothing
19 herein contained shall affect the eligibility of any firefighter to
20 apply for and receive a retirement pension after the firefighter's
21 normal retirement date; provided further, that no firefighter shall
22 receive retirement benefits from the System during the time the
23 firefighter is receiving disability benefits from the System. Any
24 member or beneficiary eligible to receive a monthly benefit pursuant

1 to this section may make an election to waive all or a portion of
2 monthly benefits.

3 E. If the requirements of Section 4 49-106.5 of this ~~act~~ title
4 are satisfied, a member who, by reason of disability, is separated
5 from service as a public safety officer with the member's
6 participating municipality, may elect to have payment made directly
7 to the provider for qualified health insurance premiums by deduction
8 from his or her monthly disability benefit, after December 31, 2006,
9 in accordance with Section ~~402(1)~~ 402(1) of the Internal Revenue
10 Code of 1986, as amended. For distributions made after December 29,
11 2022, the election provided for under Section 402(1) of the Internal
12 Revenue Code of 1986, as amended, may be made whether payment of the
13 premiums is made directly to the provider of the accident or health
14 plan or qualified long-term care insurance contract by deduction
15 from a distribution from the System or is made to the member.

16 SECTION 5. AMENDATORY 11 O.S. 2021, Section 50-114, as
17 amended by Section 1, Chapter 228, O.S.L. 2022 (11 O.S. Supp. 2022,
18 Section 50-114), is amended to read as follows:

19 Section 50-114. A. The State Board is hereby authorized to pay
20 out of funds in the System a monthly service pension to any member
21 eligible as hereinafter provided, not exceeding in any event the
22 amount of money in such funds and not exceeding in any event the
23 accrued retirement benefit for such member, except as provided for
24

1 herein. In order for a member to be eligible for such service
2 pension the following requirements must be complied with:

3 1. The member's service with the police department for any
4 participating municipality must have ceased; however, a member may
5 be subsequently reemployed in the position of police chief pursuant
6 to subsection C of Section 50-112 of this title;

7 2. The member must have reached the member's normal retirement
8 date; and

9 3. The member must have complied with any agreement as to
10 contributions by the member and other members to any funds of the
11 System where said agreement has been made as provided by this
12 article; provided, that should a retired member receive disability
13 benefits as provided in this and other sections of this article, the
14 time the retired member is receiving ~~said~~ disability benefits shall
15 count as time on active service if the retired member should be
16 recalled by the Chief of Police from ~~said~~ disability retirement. It
17 shall be necessary before ~~said~~ such time shall be counted toward
18 retirement that the retired member make the same contribution as the
19 member would have otherwise made if on active service for the time
20 the retired member was disabled.

21 B. Any member complying with all requirements of this article,
22 who reaches normal retirement date, upon application, shall be
23 retired at the accrued retirement benefit. When a member has served
24 for the necessary number of years and is otherwise eligible, as

1 provided in this article, if such member is discharged without cause
2 by the participating municipality, the member shall be eligible for
3 a pension.

4 C. Effective July 1, 1989, in no event shall commencement of
5 distribution of the accrued retirement benefit of a member be
6 delayed beyond April 1 of the calendar year following the later of:

7 1. The calendar year in which the member reaches seventy and
8 one-half (70 1/2) years of age for a member who attains age seventy
9 and one-half (70 1/2) before January 1, 2020, or effective for
10 distributions required to be made after December 31, 2019, but
11 before January 1, 2023, the calendar year in which the member
12 reaches seventy-two (72) years of age for an individual who attains
13 age seventy and one-half (70 1/2) after December 31, 2019, or
14 effective for distributions required to be made after December 31,
15 2022, the calendar year in which the member reaches seventy-three
16 (73) years of age for an individual who attains age seventy-two (72)
17 after December 31, 2022, or "the applicable age" as defined in
18 Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as
19 amended, if later; or

20 2. The actual retirement date of the member.

21 For distributions made for calendar years beginning on or after
22 January 1, 2001, through December 31, 2004, the System shall apply
23 the minimum distribution requirements and incidental benefit
24 requirements of Section 401(a)(9) of the Internal Revenue Code of

1 1986, as amended, in accordance with the regulations under Section
2 401(a)(9) of the Internal Revenue Code of 1986, as amended, which
3 were proposed on January 17, 2001, notwithstanding any provision of
4 the System to the contrary. For distributions made for calendar
5 years beginning on or after January 1, 2005, the System shall apply
6 the minimum distribution incidental benefit requirements, incidental
7 benefit requirements, and minimum distribution requirements of
8 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
9 in accordance with the final regulations under Section 401(a)(9) of
10 the Internal Revenue Code of 1986, as amended, including Treasury
11 Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided,
12 however, that for distributions required to be made after December
13 31, 2019, for individuals who attain seventy and one-half (70 1/2)
14 years of age after December 31, 2019, but before January 1, 2023,
15 such distributions shall take into account that age 70 1/2 was
16 stricken and age 72 was inserted in Section 401(a)(9)(B)(iv)(I),
17 Section 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the
18 Internal Revenue Code of 1986, as amended, and, provided further,
19 that for individuals who attain seventy-two (72) years of age after
20 December 31, 2022, such distributions shall take into account that
21 "age 72" was stricken and "the applicable age", as defined in
22 Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as
23 amended, was inserted in Section 401(a)(9)(B)(iv)(I), Section
24 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal

1 Revenue Code of 1986, as amended, in all cases notwithstanding any
2 provision of the System to the contrary. Effective January 1, 2009,
3 with respect to the Oklahoma Police Deferred Option Plan, to the
4 extent applicable, no minimum distribution is required for 2009 in
5 accordance with Section 401(a)(9)(H) of the Internal Revenue Code of
6 1986, as amended.

7 Effective September 8, 2009, notwithstanding anything to the
8 contrary of the System, the System, which is a governmental plan
9 (within the meaning of Section 414(d) of the Internal Revenue Code
10 of 1986, as amended) is treated as having complied with Section
11 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all
12 years to which Section 401(a)(9) of the Internal Revenue Code of
13 1986, as amended, applies to the System if the System complies with
14 a reasonable and good-faith interpretation of Section 401(a)(9) of
15 the Internal Revenue Code of 1986, as amended.

16 D. In the event of the death of any member who has been awarded
17 a retirement benefit or is eligible therefor as provided in this
18 section, such member's beneficiaries shall be paid such retirement
19 benefit. The remaining portion of the member's retirement benefit
20 shall be distributed to the beneficiaries at least as rapidly as
21 under the method of distribution to the member. Effective March 1,
22 1997, if a member to whom a retirement benefit has been awarded or
23 who is eligible therefor dies prior to the date as of which the
24 total amount of retirement benefit paid equals the total amount of

1 the employee contributions paid by or on behalf of the member and
2 the member does not have a surviving beneficiary under paragraph 13
3 of Section 50-101 of this title, the total benefits paid as of the
4 date of the member's death shall be subtracted from the accumulated
5 employee contribution amount and the balance, if greater than zero
6 (0), shall be paid to the member's estate.

7 E. The State Board may review and affirm a member's request for
8 retirement benefits prior to the member's normal retirement date
9 provided that no retirement benefits are paid prior to the normal
10 retirement date.

11 F. A member retired under the provisions of this article may
12 apply to the State Board to have the member's retirement benefits
13 set aside and may make application for disability benefits. Upon
14 approval of the disability benefits, the member would become subject
15 to all provisions of this article pertaining to disability
16 retirement.

17 G. Upon the death of a retired member, the benefit payment for
18 the month in which the retired member died, if not previously paid,
19 shall be made to the beneficiary of the member, which shall include
20 a successor in interest for whom an affidavit is provided to the
21 System in accordance with Section 393 of Title 58 of the Oklahoma
22 Statutes, or if there is no surviving beneficiary under paragraph 13
23 of Section 50-101 of this title, to the member's estate or, if
24 properly designated by the member, a trust. Upon the death of a

1 beneficiary, the benefit payment for the month in which the
2 beneficiary died, if not previously paid, shall be made to the
3 beneficiary's estate or, if properly designated by the beneficiary,
4 to a trust. Such benefit payment shall be made in an amount equal
5 to a full monthly benefit payment regardless of the day of the month
6 in which the retired member or beneficiary died.

7 H. If the requirements of Section 50-114.4 of this title are
8 satisfied, a member who, by reason of attainment of normal
9 retirement date or age, is separated from service as a public safety
10 officer with the member's participating municipality, may elect to
11 have payment made directly to the provider for qualified health
12 insurance premiums by deduction from his or her monthly pension
13 payment, after December 31, 2006, in accordance with Section 402(1)
14 of the Internal Revenue Code of 1986, as amended. For distributions
15 made after December 29, 2022, the election provided for under
16 Section 402(1) of the Internal Revenue Code of 1986, as amended, may
17 be made whether payment of the premiums is made directly to the
18 provider of the accident or health plan or qualified long-term care
19 insurance contract by deduction from a distribution from the System
20 or is made to the member.

21 SECTION 6. AMENDATORY 11 O.S. 2021, Section 50-114.4, is
22 amended to read as follows:

23 Section 50-114.4. A. A member who is an eligible retired
24 public safety officer and who wishes to have direct payments made

1 toward the member's qualified health insurance premiums from the
2 member's monthly disability benefit or monthly pension payment must
3 make a written election in accordance with Section 402(1) of the
4 Internal Revenue Code of 1986, as amended, on the form provided by
5 the System, as follows:

6 1. The election must be made after the member separates from
7 service as a public safety officer with the member's participating
8 municipality;

9 2. The election shall only apply to distributions from the
10 System after December 31, 2006, and to amounts not yet distributed
11 to the eligible retired public safety officer;

12 3. ~~Direct payments~~ Payments from the System for an eligible
13 retired public safety officer's qualified health insurance premiums
14 made directly to the provider of such coverage can only be made from
15 the member's monthly disability benefit or monthly pension payment
16 from the System and cannot be made from the Deferred Option Plan;
17 and

18 4. The aggregate amount of the exclusion from an eligible
19 retired public safety officer's gross income is Three Thousand
20 Dollars (\$3,000.00) per calendar year.

21 B. As used in this section:

22 1. A "public safety officer" is a member serving a public
23 agency in an official capacity, with or without compensation, as a
24

1 law enforcement officer, firefighter, chaplain, or as a member of a
2 rescue squad or ambulance crew;

3 2. An "eligible retired public safety officer" is a member who,
4 by reason of disability or attainment of normal retirement date or
5 age, is separated from service as a public safety officer with the
6 member's participating municipality; and

7 3. "Qualified health insurance premiums" are for coverage for
8 the eligible retired public safety officer, the eligible retired
9 public safety officer's spouse, and dependents, as defined in
10 Section 152 of the Internal Revenue Code of 1986, as amended, by an
11 accident or health plan or a qualified long-term care insurance
12 contract, as defined in Section 7702B(b) of the Internal Revenue
13 Code of 1986, as amended. The health plan does not have to be
14 sponsored by the eligible retired public safety officer's former
15 participating municipality.

16 C. The State Board ~~shall~~ may promulgate such rules or
17 procedures as are necessary to implement the provisions of this
18 section or to facilitate a member's election under Section 402(1) of
19 the Internal Revenue Code of 1986, as amended.

20 SECTION 7. AMENDATORY 11 O.S. 2021, Section 50-115, as
21 amended by Section 3, Chapter 306, O.S.L. 2022 (11 O.S. Supp. 2022,
22 Section 50-115), is amended to read as follows:

23 Section 50-115. A. The State Board is authorized to pay a
24 disability benefit to a member of the System or a pension to the

1 beneficiaries of such member eligible as hereinafter provided, not
2 exceeding the accrued retirement benefit of the member, except as
3 otherwise provided in this article. Such disability benefit shall
4 be payable immediately upon determination of eligibility. Any
5 preexisting condition identified at the time of any initial or
6 subsequent membership shall be used to offset the percentage of
7 impairment to the whole person in determining any disability
8 benefit. Once the initial disability benefit has been awarded by
9 the Board on the basis of the percentage of impairment to the whole
10 person, the member shall have no further recourse to increase the
11 awarded percentage of impairment.

12 B. In order for any member to be eligible for any disability
13 benefit, or the member's beneficiaries to be eligible for a pension,
14 the member must have complied with any agreement as to contributions
15 by the member and other members to any funds of the System where the
16 agreement has been made as provided by this article; and the State
17 Board must find:

18 1. That the member incurred a permanent total disability or a
19 permanent partial disability or died while in, and in consequence
20 of, the performance of duty as an officer; or

21 2. That such member has served ten (10) years and incurred a
22 permanent total disability or a permanent partial disability or has
23 died from any cause.

24

1 C. In the event of the death of any member who has been awarded
2 a disability benefit or is eligible therefor as provided in this
3 article, the member's beneficiary shall be paid the benefit.

4 D. 1. As of the date of determination by the State Board that
5 a member has a permanent in-line disability, the member shall be
6 awarded a normal disability benefit, as defined in Section 50-101 of
7 this title.

8 2. If an injury to a member results from a violent act as
9 defined by this paragraph while in the performance of his or her
10 duties as a police officer, the State Board shall make a
11 determination that the member has sustained a one-hundred-percent
12 disability and shall make the benefit award in accordance with that
13 standard. As used in this paragraph, "violent act" means a violent
14 attack upon the member by means of a dangerous weapon including, but
15 not limited to, a firearm, knife, automobile, explosive device or
16 other dangerous weapon.

17 E. If the participating municipality denies a disabled member
18 the option of continuing employment instead of retiring on a
19 disability pension, then the burden of proof rests with the
20 participating municipality to show cause to the State Board that
21 there is no position as a sworn officer within the police department
22 of that municipality which the member can fill.

23 F. Upon determination by the State Board that a member is
24 physically or mentally disabled and that the disability is permanent

1 and total and that the member has completed ten (10) years of
2 credited service and is disabled by any cause, the member shall
3 receive a disability benefit on the basis of the member's accrued
4 retirement benefit. A permanent and total impairment equates to one
5 hundred percent (100%) of accrued retirement benefit.

6 G. Upon determination by the State Board that a member is
7 physically or mentally disabled and that the disability is permanent
8 and partial and that the member has completed ten (10) years of
9 credited service as a member and is disabled from any cause, the
10 member shall be awarded a disability benefit on the basis of the
11 member's years of credited service as a member and the percentage of
12 impairment to the whole person, as defined by the standards of the
13 impairment as outlined in the "American Medical Association's Guides
14 to the Evaluation of Permanent Impairment", on the basis of the
15 following table:

16 1% to 49% impaired = 50% of accrued retirement benefit
17 50% to 74% impaired = 75% of accrued retirement benefit
18 75% to 99% impaired = 100% of accrued retirement benefit.

19 H. Before making a finding as to the disability of a member,
20 the State Board shall require that, if the member is able, the
21 member shall make a certificate as to the disability which shall be
22 subscribed and sworn to by the member. It shall also require a
23 certificate as to such disability to be made by some physician
24 licensed to practice in this state as selected by the State Board.

1 The State Board may require other evidence of disability before
2 making the disability benefit. The salary of any such member shall
3 continue while the member is so necessarily confined to such
4 hospital bed or home and necessarily requires medical care or
5 professional nursing on account of such sickness or disability for a
6 period of not more than six (6) months, after which the period the
7 other provisions of this article may apply. The State Board, in
8 making disability benefits, shall act upon the written request of
9 the member or without such request, if it deem it for the good of
10 the police department. Any disability benefits shall cease when the
11 member receiving same shall be restored to active service at a
12 salary not less than three-fourths (3/4) of the member's average
13 monthly salary.

14 I. Any member of a police department of any municipality who,
15 in the line of duty, has been exposed to hazardous substances
16 including but not limited to chemicals used in the manufacture of a
17 controlled dangerous substance or chemicals resulting from the
18 manufacture of a controlled dangerous substance, or to blood-borne
19 pathogens and who is later disabled from a condition that was the
20 result of such exposure and that was not revealed by the physical
21 examination passed by the member upon entry into the System shall be
22 presumed to have incurred such disability while performing the
23 officer's duties unless the contrary is shown by competent evidence.
24 The presumption created by this subsection shall have no application

1 whatever to any workers' compensation claim or claims, and it shall
2 not be applied or be relied upon in any way in workers' compensation
3 proceedings. All compensation or benefits due to any member
4 pursuant to the presumption created by this subsection shall be paid
5 solely by the system.

6 J. If the requirements of Section 50-114.4 of this title are
7 satisfied, a member who, by reason of disability, is separated from
8 service as a public safety officer with the member's participating
9 municipality, may elect to have payment made directly to the
10 provider for qualified health insurance premiums by deduction from
11 his or her monthly disability benefit, after December 31, 2006, in
12 accordance with Section 402(1) of the Internal Revenue Code of 1986,
13 as amended. For distributions made after December 29, 2022, the
14 election provided for under Section 402(1) of the Internal Revenue
15 Code of 1986, as amended, may be made whether payment of the
16 premiums is made directly to the provider of the accident or health
17 plan or qualified long-term care insurance contract by deduction
18 from a distribution from the System or is made to the member.

19 SECTION 8. AMENDATORY 47 O.S. 2021, Section 2-300, is
20 amended to read as follows:

21 Section 2-300. As used in Section 2-300 et seq. of this title:

22 1. "System" means the Oklahoma Law Enforcement Retirement
23 System;

24 2. "Act" means Section 2-300 et seq. of this title;

1 3. "Board" means the Oklahoma Law Enforcement Retirement Board
2 of the System;

3 4. "Executive Director" means the managing officer of the
4 System employed by the Board;

5 5. "Fund" means the Oklahoma Law Enforcement Retirement Fund;

6 6. a. "Member" means:

7 (1) all commissioned law enforcement officers of the
8 Oklahoma Highway Patrol Division of the
9 Department of Public Safety who have obtained
10 certification from the Council on Law Enforcement
11 Education and Training, and all cadets of a
12 Patrol Academy of the Department of Public
13 Safety,

14 (2) law enforcement officers and criminalists of the
15 Oklahoma State Bureau of Investigation,

16 (3) law enforcement officers of the Oklahoma State
17 Bureau of Narcotics and Dangerous Drugs Control
18 designated to perform duties in the investigation
19 and prevention of crime and the enforcement of
20 the criminal laws of this state,

21 (4) law enforcement officers of the ~~Oklahoma~~
22 Alcoholic Beverage Laws Enforcement Commission
23 designated to perform duties in the investigation
24

1 and prevention of crime and the enforcement of
2 the criminal laws of this state,

3 (5) employees of the Communications Section of the
4 Oklahoma Highway Patrol Division, radio
5 technicians and tower technicians of the
6 Department of Public Safety, who are employed in
7 any such capacity as of June 30, 2008, and who
8 remain employed on or after July 1, 2008, until a
9 termination of service, or until a termination of
10 service with an election of a vested benefit from
11 the System, or until retirement. Effective July
12 1, 2008, a person employed for the first time as
13 an employee of the Department of Public Safety in
14 the Communications Division as an information
15 systems telecommunication technician of the
16 Department of Public Safety shall not be a member
17 of the System,

18 (6) park rangers of the Oklahoma Tourism and
19 Recreation Department and any park manager or
20 park supervisor of the Oklahoma Tourism and
21 Recreation Department, who was employed in such a
22 position prior to July 1, 1985, and who elects on
23 or before September 1, 1996, to participate in
24 the System, and

1 (7) inspectors of the State Board of Pharmacy.

2 b. Effective July 1, 1987, a member does not include a
3 "leased employee" as defined under Section 414(n) (2)
4 of the Internal Revenue Code of 1986, as amended.
5 Effective July 1, 1999, any individual who agrees with
6 the participating employer that the individual's
7 services are to be performed as a leased employee or
8 an independent contractor shall not be a member
9 regardless of any classification as a common-law
10 employee by the Internal Revenue Service or any other
11 governmental agency, or any court of competent
12 jurisdiction.

13 c. All persons who shall be offered a position of a
14 commissioned law enforcement officer as an employee of
15 one of the agencies described in subparagraph a of
16 this paragraph shall participate in the System upon
17 the person meeting the requisite post-offer-pre-
18 employment physical examination standards which shall
19 be subject to the following requirements:

20 (1) all such persons shall be of good moral
21 character, free from deformities, mental or
22 physical conditions, or disease and alcohol or
23 drug addiction which would prohibit the person
24

1 from performing the duties of a law enforcement
2 officer,

3 (2) the physical-medical examination shall pertain to
4 age, sight, hearing, agility and other conditions
5 the requirements of which shall be established by
6 the Board,

7 (3) the person shall be required to meet the
8 conditions of this subsection prior to the
9 beginning of actual employment but after an offer
10 of employment has been tendered by a
11 participating employer,

12 (4) the Board shall have authority to deny or revoke
13 membership of any person submitting false
14 information in such person's membership
15 application, and

16 (5) the Board shall have final authority in
17 determining eligibility for membership in the
18 System, pursuant to the provisions of this
19 subsection;

20 7. "Normal retirement date" means the date at which the member
21 is eligible to receive the unreduced payments of the member's
22 accrued retirement benefit. Such date shall be the first day of the
23 month coinciding with or following the date the member:

24 a. completes twenty (20) years of vesting service, or

b. attains sixty-two (62) years of age with ten (10) years of vesting service, or

c. attains sixty-two (62) years of age, if:

(1) the member has been transferred to this System from the Oklahoma Public Employees Retirement System on or after July 1, 1981, and

(2) the member would have been vested had the member continued to be a member of the Oklahoma Public Employees Retirement System.

With respect to distributions under the System made for calendar years beginning on or after January 1, 2005, the System shall apply the minimum distribution incidental benefit requirements, incidental benefit requirements, and minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, in accordance with the final regulations under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, including Treasury Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided, that for individuals who attain seventy and one-half (70 1/2) years of age after December 31, 2019, but before January 1, 2023, such distributions ~~shall be made when the individual attains seventy-two (72) years of age, pursuant to the provisions of the SECURE Act of 2019, Pub. L. 116-94,~~ take into account that "age 70 1/2" was stricken and "age 72" was inserted in Sections 401(a)(9)(B)(iv)(I), 401(a)(9)(C)(i)(I) and 401(a)(9)(C)(ii)(I) of the Internal Revenue

1 Code of 1986, as amended, and, provided further, that for
2 individuals who attain seventy-two (72) years of age after December
3 31, 2022, such distributions shall take into account that "age 72"
4 was stricken and "the applicable age", as defined in Section
5 401(a) (9) (C) (v) of the Internal Revenue Code of 1986, as amended,
6 was inserted in Section 401(a) (9) (B) (iv) (I), Section
7 401(a) (9) (C) (i) (I) and Section 401(a) (9) (C) (ii) (I) of the Internal
8 Revenue Code of 1986, as amended, in all cases notwithstanding any
9 provision of the System to the contrary. With respect to
10 distributions under the System made for calendar years beginning on
11 or after January 1, 2001, through December 31, 2004, the System
12 shall apply the minimum distribution requirements and incidental
13 benefit requirements of Section 401(a) (9) of the Internal Revenue
14 Code of 1986, as amended, in accordance with the regulations under
15 Section 401(a) (9) of the Internal Revenue Code of 1986, as amended,
16 which were proposed in January 2001, notwithstanding any provision
17 of the System to the contrary.

18 Effective July 1, 1989, notwithstanding any other provision
19 contained herein to the contrary, in no event shall commencement of
20 distribution of the accrued retirement benefit of a member be
21 delayed beyond April 1 of the calendar year following the later of:
22 (1) the calendar year in which the member reaches seventy and one-
23 half (70 1/2) years of age for a member who attains this age before
24 January 1, 2020, or, for a member who attains this age on or after

1 January 1, 2020, but before January 1, 2023, the calendar year in
2 which the member reaches seventy-two (72) years of age, or effective
3 for distributions required to be made after December 31, 2022, the
4 calendar year in which the member reaches seventy-three (73) years
5 of age for an individual who attains age seventy-two (72) after
6 December 31, 2022, or "the applicable age", as defined in Section
7 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended, if
8 later; or (2) the actual retirement date of the member. A member
9 electing to defer the commencement of retirement benefits pursuant
10 to Section 2-308.1 of this title may not defer the benefit
11 commencement beyond the age of sixty-five (65).

12 Effective September 8, 2009, notwithstanding anything to the
13 contrary of the System, the System, which as a governmental plan
14 (within the meaning of Section 414(d) of the Internal Revenue Code
15 of 1986, as amended), is treated as having complied with Section
16 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all
17 years to which Section 401(a)(9) of the Internal Revenue Code of
18 1986, as amended, applies to the System if the System complies with
19 a reasonable and good faith interpretation of Section 401(a)(9) of
20 the Internal Revenue Code of 1986, as amended.

21 A member who was required to join the System effective July 1,
22 1980, because of the transfer of the employing agency from the
23 Oklahoma Public Employees Retirement System to the System, and was
24 not a member of the Oklahoma Public Employees Retirement System on

1 the date of such transfer shall be allowed to receive credit for
2 prior law enforcement service rendered to this state, if the member
3 is not receiving or eligible to receive retirement credit or
4 benefits for such service in any other public retirement system,
5 upon payment to the System of the employee contribution the member
6 would have been subject to had the member been a member of the
7 System at the time, plus five percent (5%) interest. Service credit
8 received pursuant to this paragraph shall be used in determining the
9 member's retirement benefit, and shall be used in determining years
10 of service for retirement or vesting purposes;

11 8. "Actual paid base salary" means the salary received by a
12 member, excluding payment for any accumulated leave or uniform
13 allowance. Salary shall include any amount of nonelective salary
14 reduction under Section 414(h) of the Internal Revenue Code of 1986;

15 9. "Final average salary" means the average of the highest
16 thirty (30) consecutive complete months of actual paid gross salary.
17 Gross salary shall include any amount of elective salary reduction
18 under Section 457 of the Internal Revenue Code of 1986, as amended,
19 and any amount of nonelective salary reduction under Section 414(h)
20 of the Internal Revenue Code of 1986, as amended. Effective July 1,
21 1992, gross salary shall include any amount of elective salary
22 reduction under Section 125 of the Internal Revenue Code of 1986, as
23 amended. Effective July 1, 1998, gross salary shall include any
24 amount of elective salary reduction not includable in the gross

1 income of the member under Section 132(f)(4) of the Internal Revenue
2 Code of 1986, as amended. Effective July 1, 1998, for purposes of
3 determining a member's compensation, any contribution by the member
4 to reduce his or her regular cash remuneration under Section
5 132(f)(4) of the Internal Revenue Code of 1986, as amended, shall be
6 treated as if the member did not make such an election. Only salary
7 on which required contributions have been made may be used in
8 computing the final average salary. Gross salary shall not include
9 severance pay.

10 In addition to other applicable limitations, and notwithstanding
11 any other provision to the contrary, for plan years beginning on or
12 after July 1, 2002, the annual gross salary of each "Noneligible
13 Member" taken into account under the System shall not exceed the
14 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")
15 annual salary limit. The EGTRRA annual salary limit is Two Hundred
16 Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for
17 increases in the cost of living in accordance with Section
18 401(a)(17)(B) of the Internal Revenue Code of 1986, as amended. The
19 annual salary limit in effect for a calendar year applies to any
20 period, not exceeding twelve (12) months, over which salary is
21 determined ("determination period") beginning in such calendar year.
22 If a determination period consists of fewer than twelve (12) months,
23 the EGTRRA salary limit will be multiplied by a fraction, the
24 numerator of which is the number of months in the determination

1 period, and the denominator of which is twelve (12). For purposes
2 of this section, a "Noneligible Member" is any member who first
3 became a member during a plan year commencing on or after July 1,
4 1996.

5 For plan years beginning on or after July 1, 2002, any reference
6 in the System to the annual salary limit under Section 401(a)(17) of
7 the Internal Revenue Code of 1986, as amended, shall mean the EGTRRA
8 salary limit set forth in this provision.

9 Effective January 1, 2008, gross salary for a plan year shall
10 also include gross salary, as described above, for services, but
11 paid by the later of two and one-half (2 1/2) months after a
12 member's severance from employment or the end of the calendar year
13 that includes the date the member terminated employment, if it is a
14 payment that, absent a severance from employment, would have been
15 paid to the member while the member continued in employment with the
16 employer.

17 Effective January 1, 2008, any payments not described above
18 shall not be considered gross salary if paid after severance from
19 employment, even if they are paid by the later of two and one-half
20 (2 1/2) months after the date of severance from employment or the
21 end of the calendar year that includes the date of severance from
22 employment, except payments to an individual who does not currently
23 perform services for the employer by reason of qualified military
24 service within the meaning of Section 414(u)(5) of the Internal

1 Revenue Code of 1986, as amended, to the extent these payments do
2 not exceed the amounts the individual would have received if the
3 individual had continued to perform services for the employer rather
4 than entering qualified military service.

5 Effective January 1, 2008, back pay, within the meaning of
6 Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be
7 treated as gross salary for the limitation year to which the back
8 pay relates to the extent the back pay represents wages and
9 compensation that would otherwise be included in this definition.

10 Effective for years beginning after December 31, 2008, gross
11 salary shall also include differential wage payments under Section
12 414(u)(12) of the Internal Revenue Code of 1986, as amended;

13 10. "Credited service" means the period of service used to
14 determine the amount of benefits payable to a member. Credited
15 service shall consist of the period during which the member
16 participated in the System or the predecessor Plan as an active
17 employee in an eligible membership classification, plus any service
18 prior to the establishment of the predecessor Plan which was
19 credited under the predecessor Plan and for law enforcement officers
20 and criminalists of the Oklahoma State Bureau of Investigation and
21 the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control
22 who became members of the System on July 1, 1980, any service
23 credited under the Oklahoma Public Employees Retirement System as of
24 June 30, 1980, and for members of the Communications and Lake Patrol

1 Divisions of the Oklahoma Department of Public Safety, who became
2 members of the System on July 1, 1981, any service credited under
3 the predecessor Plan or the Oklahoma Public Employees Retirement
4 System as of June 30, 1981, and for law enforcement officers of the
5 Alcoholic Beverage Laws Enforcement Commission who became members of
6 the System on July 1, 1982, any service credited under the Oklahoma
7 Public Employees Retirement System as of June 30, 1982, and for park
8 rangers of the Oklahoma Tourism and Recreation Department who became
9 members of the System on July 1, 1985, any service credited under
10 the Oklahoma Public Employees Retirement System as of June 30, 1985,
11 and for inspectors of the ~~Oklahoma~~ State Board of Pharmacy who
12 became members of the System on July 1, 1986, any service credited
13 under the Oklahoma Public Employees Retirement System as of June 30,
14 1986, for law enforcement officers of the Oklahoma Capitol Patrol
15 Division of the Department of Public Safety who became members of
16 the System effective July 1, 1993, any service credited under the
17 Oklahoma Public Employees Retirement System as of June 30, 1993, and
18 for all commissioned officers in the Gunsmith/Ammunition Reloader
19 Division of the Department of Public Safety who became members of
20 the System effective July 1, 1994, any service credited under the
21 Oklahoma Public Employees Retirement System as of June 30, 1994, and
22 for the park managers or park supervisors of the Oklahoma Tourism
23 and Recreation Department who were employed in such a position prior
24 to July 1, 1985, and who elect to become members of the System

1 effective September 1, 1996, any service transferred pursuant to
2 subsection C of Section 2-309.6 of this title and any service
3 purchased pursuant to subsection B of Section 2-307.2 of this title.
4 Effective August 5, 1993, an authorized leave of absence shall
5 include a period of absence pursuant to the Family and Medical Leave
6 Act of 1993;

7 11. "Disability" means a physical or mental condition which, in
8 the judgment of the Board, totally and presumably permanently
9 prevents the member from engaging in the usual and customary duties
10 of the occupation of the member and thereafter prevents the member
11 from performing the duties of any occupation or service for which
12 the member is qualified by reason of training, education or
13 experience. A person is not under a disability when capable of
14 performing a service to the employer, regardless of occupation,
15 providing the salary of the employee is not diminished thereby;

16 12. "Limitation year" means the year used in applying the
17 limitations of Section 415 of the Internal Revenue Code of 1986,
18 which year shall be the calendar year;

19 13. "Line of duty" means any action which a member whose
20 primary function is crime control or reduction or enforcement of the
21 criminal law is obligated or authorized by rule, regulations,
22 condition of employment or service, or law to perform including
23 those social, ceremonial or athletic functions to which the member
24

1 is assigned, or for which the member is compensated, by the agency
2 the member serves;

3 14. "Personal injury" or "injury" means any traumatic injury as
4 well as diseases which are caused by or result from such an injury,
5 but not occupational diseases;

6 15. "Catastrophic nature" means consequences of an injury that
7 permanently prevent an individual from performing any gainful work;

8 16. "Traumatic injury" means a wound or a condition of the body
9 caused by external force including injuries inflicted by bullets,
10 explosives, sharp instruments, blunt objects or other physical
11 blows, chemicals, electricity, climatic conditions, infectious
12 diseases, radiation and bacteria, but excluding stress and strain;
13 and

14 17. "Beneficiary" means the individual designated by the member
15 on a beneficiary designation form supplied by the Oklahoma Law
16 Enforcement Retirement System, or, if there is no designated
17 beneficiary or if the designated beneficiary predeceases the member,
18 the estate of the member. If the member's spouse is not designated
19 as the sole primary beneficiary, the member's spouse must sign a
20 consent.

21 SECTION 9. AMENDATORY 47 O.S. 2021, Section 2-305, as
22 amended by Section 2, Chapter 255, O.S.L. 2022 (47 O.S. Supp. 2022,
23 Section 2-305), is 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
17 by the number of years of credited service and fraction thereof for
18 the 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

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

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

8 The provisions of paragraph 1 of this subsection shall not be
9 applicable to any member whose first participating service with the
10 System occurs on or after November 1, 2012, except for those members
11 who died in the performance of their duties pursuant to Section 2-
12 306 of this title.

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

19 1. The actual average salary currently paid to the highest
20 nonsupervisory position in the participating agency at the time each
21 such monthly payment is made, limited to the annual salary limit of
22 the Economic Growth and Tax Relief Reconciliation Act of 2001, as
23 described in paragraph 9 of Section 2-300 of this title, multiplied
24 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

1 b. (1) the top base salary currently paid to the highest
2 nonsupervisory position in the participating
3 agency of the member at the time each monthly
4 payment is made, limited to the annual salary
5 limit of the Economic Growth and Tax Relief
6 Reconciliation Act of 2001 described in paragraph
7 9 of Section 2-300 of this title, for the
8 following positions:

9 (a) Oklahoma Highway Patrolman,

10 (b) Communications Dispatcher,

11 (c) Capitol Patrolman,

12 (d) Lake Patrolman, and

13 (e) Oklahoma State Bureau of Investigation -
14 Special Agent or Criminalist,

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

19 (2) the actual average salary currently paid to the
20 highest nonsupervisory position in the
21 participating agency of the member at the time
22 each monthly payment is made, limited to the
23 annual salary limit of the Economic Growth and
24 Tax Relief Reconciliation Act of 2001, described

1 in paragraph 9 of Section 2-300 of this title,
2 for the following positions:

3 (a) Alcoholic Beverage Laws Enforcement (ABLE)
4 Commission - ABLE Commission Agent III,

5 (b) Oklahoma State Bureau of Narcotics and
6 Dangerous Drugs Control - Narcotics Agent
7 III,

8 (c) Oklahoma Tourism and Recreation Department -
9 Park Ranger II,

10 (d) State Board of Pharmacy - Pharmacy
11 Inspector,

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

13 (f) Oklahoma State University - Police Officer,

14 Provided, the participating employer must certify to the System
15 in writing the actual average gross salary currently paid to the
16 highest nonsupervisory position for division (2) of subparagraph b
17 of this paragraph;

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

22 5. The Board of Trustees shall promulgate rules as necessary to
23 implement the provisions of this subsection; and
24

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

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

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

12 2. Multiplied by:

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

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

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

22 a. the salary which the member would have received
23 pursuant to statutory salary schedules in effect upon
24 the date of the disability for twenty (20) years of

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

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

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

1 account for such member's participation in the Oklahoma Law
2 Enforcement Deferred Option Plan.

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

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

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

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

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

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

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

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

1 is regularly attending a public or private school or any institution
2 of higher education.

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

1 N. If the requirements of Section 2-305.1C of this title are
2 satisfied, a member who, by reason of disability or attainment of
3 normal retirement date or age, is separated from service as a public
4 safety officer with the member's participating employer may elect to
5 have payment made directly to the provider for qualified health
6 insurance premiums by deduction from his or her monthly disability
7 benefit or monthly retirement payment, after December 31, 2006, in
8 accordance with Section ~~402(1)~~ 402(1) of the Internal Revenue Code
9 of 1986, as amended. For distributions made after December 29,
10 2022, the election provided for under Section 402(1) of the Internal
11 Revenue Code of 1986, as amended, may be made whether payment of the
12 premiums is made directly to the provider of the accident or health
13 plan or qualified long-term care insurance contract by deduction
14 from a distribution from the System or is made to the member.

15 SECTION 10. AMENDATORY 47 O.S. 2021, Section 2-305.1C,
16 is amended to read as follows:

17 Section 2-305.1C. A. A member who is an eligible retired
18 public safety officer and who wishes to have direct payments made
19 toward the member's qualified health insurance premiums from the
20 member's monthly disability benefit or monthly retirement payment
21 must make a written election in accordance with Section ~~402(1)~~
22 402(1) of the Internal Revenue Code of 1986, as amended, on the form
23 provided by the Oklahoma Law Enforcement Retirement System, as
24 follows:

1 1. The election must be made after the member separates from
2 service as a public safety officer with the member's participating
3 employer;

4 2. The election shall only apply to distributions from the
5 System after December 31, 2006, and to amounts not yet distributed
6 to the eligible retired public safety officer;

7 3. ~~Direct payments~~ Payments from the System for an eligible
8 retired public safety officer's qualified health insurance premiums
9 made directly to the provider of such coverage can only be made from
10 the member's monthly disability benefit or monthly retirement
11 payment from the System and cannot be made from the Oklahoma Law
12 Enforcement Deferred Option Plan; and

13 4. The aggregate amount of the exclusion from an eligible
14 retired public safety officer's gross income is Three Thousand
15 Dollars (\$3,000.00) per calendar year.

16 B. As used in this section:

17 1. "Eligible retired public safety officer" is a member who, by
18 reason of disability or attainment of normal retirement date or age,
19 is separated from service as a public safety officer with the
20 member's participating employer;

21 2. "Public safety officer" means a member serving a public
22 agency in an official capacity, with or without compensation, as a
23 law enforcement officer, firefighter, chaplain, or a member of a
24 rescue squad or ambulance crew; and

1 3. "Qualified health insurance premiums" means premiums for
2 coverage for the eligible retired public safety officer, the
3 eligible retired public safety officer's spouse, and dependents, as
4 defined in Section 152 of the Internal Revenue Code of 1986, as
5 amended, by an accident or health plan or a qualified long-term care
6 insurance contract, as defined in Section 7702B(b) of the Internal
7 Revenue Code of 1986, as amended. The health plan does not have to
8 be sponsored by the eligible retired public safety officer's former
9 participating employer.

10 C. The Board ~~shall~~ may promulgate such rules or procedures as
11 are necessary to implement the provisions of this section or to
12 facilitate a member's election under Section 402(1) of the Internal
13 Revenue Code of 1986, as amended.

14 SECTION 11. It being immediately necessary for the preservation
15 of the public peace, health or safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval.

1 Passed the Senate the 20th day of March, 2023.

2
3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2023.

7
8 _____
9 Presiding Officer of the House
10 of Representatives