

1 ENGROSSED HOUSE
2 BILL NO. 2171

By: Hilbert and Deck of the
House

3 and

4 Rosino of the Senate
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8 An Act relating to public retirement systems;
9 amending 62 O.S. 2021, Section 3103, as amended by
10 Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.
11 2022, Section 3103), which relates to the Oklahoma
12 Pension Legislation Actuarial Analysis Act; modifying
13 definition; providing for retirement benefit
14 distribution for certain retired members of the
15 Oklahoma Firefighters Pension and Retirement System;
16 providing for retirement benefit distribution for
17 certain retired members of the Oklahoma Police
18 Pension and Retirement System; providing for
19 retirement benefit distribution for certain retired
20 members of the Uniform Retirement System for Justices
21 and Judges; providing for retirement benefit
22 distribution for certain retired members of the
23 Oklahoma Law Enforcement Retirement System; providing
24 for retirement benefit distribution for certain
retired members of the Teachers' Retirement System of
Oklahoma; providing for retirement benefit
distribution for certain retired members of the
Oklahoma Public Employees Retirement System;
providing for codification; providing effective dates
if emergency clause is not approved; and declaring an
emergency.

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

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

4 Section 3103. As used in the Oklahoma Pension Legislation
5 Actuarial Analysis Act:

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

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

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

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

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

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

- 1 Statutes if the members were unable to complete twenty
2 (20) years of service as a result of the disability,
3 e. which requires membership in the defined benefit plan
4 authorized by Section 901 et seq. of Title 74 of the
5 Oklahoma Statutes for persons whose first elected or
6 appointed service occurs on or after November 1, 2018,
7 if such persons had any prior service in the Oklahoma
8 Public Employees Retirement System prior to November
9 1, 2015,
10 f. which provides for a one-time increase in retirement
11 benefits if the increase in retirement benefits is not
12 a permanent increase in the gross annual retirement
13 benefit payable to a member or beneficiary, occurs
14 only once pursuant to a single statutory authorization
15 and does not exceed:
16 (1) the lesser of two percent (2%) of the gross
17 annual retirement benefit of the member or One
18 Thousand Dollars (\$1,000.00) and requires that
19 the benefit may only be provided if the funded
20 ratio of the affected retirement system would not
21 be less than sixty percent (60%) but not greater
22 than eighty percent (80%) after the benefit
23 increase is paid,
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- 1 (2) the lesser of two percent (2%) of the gross
2 annual retirement benefit of the member or One
3 Thousand Two Hundred Dollars (\$1,200.00) and
4 requires that the benefit may only be provided if
5 the funded ratio of the affected retirement
6 system would be greater than eighty percent (80%)
7 but not greater than one hundred percent (100%)
8 after the benefit increase is paid,
- 9 (3) the lesser of two percent (2%) of the gross
10 annual retirement benefit of the member or One
11 Thousand Four Hundred Dollars (\$1,400.00) and
12 requires that the benefit may only be provided if
13 the funded ratio of the affected retirement
14 system would be greater than one hundred percent
15 (100%) after the benefit increase is paid, or
- 16 (4) the greater of two percent (2%) of the gross
17 annual retirement benefit of the volunteer
18 firefighter or One Hundred Dollars (\$100.00) for
19 persons who retired from the Oklahoma
20 Firefighters Pension and Retirement System as
21 volunteer firefighters and who did not retire
22 from the Oklahoma Firefighters Pension and
23 Retirement System as a paid firefighter.
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1 As used in this subparagraph, "funded ratio" means the
2 figure derived by dividing the actuarial value of
3 assets of the applicable retirement system by the
4 actuarial accrued liability of the applicable
5 retirement system,

6 g. which modifies the disability pension standard for
7 police officers who are members of the Oklahoma Police
8 Pension and Retirement System as provided by Section ~~3~~
9 50-115 of ~~this act~~ Title 11 of the Oklahoma Statutes,

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

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

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

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

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

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

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

- 1 i. which modifies the computation of the line-of-duty
2 disability benefit pursuant to the provisions of this
3 act, or
4 j. which provides a retirement benefit distribution
5 pursuant to the provisions of this act.

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

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

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

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

4 9. "Retirement system" means the Teachers' Retirement System of
5 Oklahoma, the Oklahoma Public Employees Retirement System, the
6 Uniform Retirement System for Justices and Judges, the Oklahoma
7 Firefighters Pension and Retirement System, the Oklahoma Police
8 Pension and Retirement System, the Oklahoma Law Enforcement
9 Retirement System, or a retirement system established after January
10 1, 2006.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 49-143.8 of Title 11, unless
13 there is created a duplication in numbering, reads as follows:

14 The board of trustees of the Oklahoma Firefighters Pension and
15 Retirement System shall provide a one-time retirement benefit
16 distribution subject to the following conditions:

17 1. The retirement benefit increase may only be provided to a
18 member of the System who has been retired for two (2) or more years
19 as of the effective date of the benefit increase;

20 2. The retirement benefit increase for members receiving a
21 benefit pursuant to Section 49-106 of Title 11 of the Oklahoma
22 Statutes shall be One Thousand Five Hundred Dollars (\$1,500.00) or
23 greater but shall not exceed Three Thousand Two Hundred Dollars
24 (\$3,200.00). Provided, however, that retired members receiving a

benefit pursuant to Section 49-106 of Title 11 of the Oklahoma Statutes who are seventy-five (75) years of age or older shall receive Five Hundred Dollars (\$500.00), which shall not be included in the benefit amount limitation, in addition to the retirement benefit increase to be calculated pursuant to paragraph 4 of this section. The retirement benefit increase for members receiving a benefit pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes shall be One Hundred Fifty Dollars (\$150.00);

3. The retirement benefit increase shall not be a modification of the final average compensation used in order to compute the retirement benefit of the member; and

4. The retirement benefit increase may only be computed by using the then-applicable gross annual retirement benefit for the member divided by the whole number twelve (12). The resulting amount may be paid to the retired member in addition to the retirement benefits otherwise payable to the member.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 50-136.10 of Title 11, unless there is created a duplication in numbering, reads as follows:

The board of trustees of the Oklahoma Police Pension and Retirement System shall provide a one-time retirement benefit distribution subject to the following conditions:

1 1. The retirement benefit increase may only be provided to a
2 member of the System who has been retired for two (2) or more years
3 as of the effective date of the benefit increase;

4 2. The retirement benefit increase shall be One Thousand Five
5 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
6 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
7 retired members who are seventy-five (75) years of age or older
8 shall receive Five Hundred Dollars (\$500.00), which shall not be
9 included in the benefit amount limitation, in addition to the
10 retirement benefit increase to be calculated pursuant to paragraph 4
11 of this section;

12 3. The retirement benefit increase shall not be a modification
13 of the final average compensation used in order to compute the
14 retirement benefit of the member; and

15 4. The retirement benefit increase may only be computed by
16 using the then-applicable gross annual retirement benefit for the
17 member divided by the whole number twelve (12). The resulting
18 amount may be paid to the retired member in addition to the
19 retirement benefits otherwise payable to the member.

20 SECTION 4. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 1104L of Title 20, unless there
22 is created a duplication in numbering, reads as follows:
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1 The board of trustees of the Uniform Retirement System for
2 Justices and Judges shall provide a one-time retirement benefit
3 distribution subject to the following conditions:

4 1. The retirement benefit increase may only be provided to a
5 member of the System who has been retired for two (2) or more years
6 as of the effective date of the benefit increase;

7 2. The retirement benefit increase shall be One Thousand Five
8 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
9 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
10 retired members who are seventy-five (75) years of age or older
11 shall receive Five Hundred Dollars (\$500.00), which shall not be
12 included in the benefit amount limitation, in addition to the
13 retirement benefit increase to be calculated pursuant to paragraph 4
14 of this section;

15 3. The retirement benefit increase shall not be a modification
16 of the final average compensation used in order to compute the
17 retirement benefit of the member; and

18 4. The retirement benefit increase may only be computed by
19 using the then-applicable gross annual retirement benefit for the
20 member divided by the whole number twelve (12). The resulting
21 amount may be paid to the retired member in addition to the
22 retirement benefits otherwise payable to the member.
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1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2-305.13 of Title 47, unless
3 there is created a duplication in numbering, reads as follows:

4 The board of trustees of the Oklahoma Law Enforcement Retirement
5 System shall provide a one-time retirement benefit distribution
6 subject to the following conditions:

7 1. The retirement benefit increase may only be provided to a
8 member of the System who has been retired for two (2) or more years
9 as of the effective date of the benefit increase;

10 2. The retirement benefit increase shall be One Thousand Five
11 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
12 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
13 retired members who are seventy-five (75) years of age or older
14 shall receive Five Hundred Dollars (\$500.00), which shall not be
15 included in the benefit amount limitation, in addition to the
16 retirement benefit increase to be calculated pursuant to paragraph 4
17 of this section;

18 3. The retirement benefit increase shall not be a modification
19 of the final average compensation used in order to compute the
20 retirement benefit of the member; and

21 4. The retirement benefit increase may only be computed by
22 using the then-applicable gross annual retirement benefit for the
23 member divided by the whole number twelve (12). The resulting
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1 amount may be paid to the retired member in addition to the
2 retirement benefits otherwise payable to the member.

3 SECTION 6. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 17-116.23 of Title 70, unless
5 there is created a duplication in numbering, reads as follows:

6 The board of trustees of the Teachers' Retirement System of
7 Oklahoma shall provide a one-time retirement benefit distribution
8 subject to the following conditions:

9 1. The retirement benefit increase may only be provided to a
10 member of the System who has been retired for two (2) or more years
11 as of the effective date of the benefit increase;

12 2. The retirement benefit increase shall be One Thousand Five
13 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
14 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
15 retired members who are seventy-five (75) years of age or older
16 shall receive Five Hundred Dollars (\$500.00), which shall not be
17 included in the benefit amount limitation, in addition to the
18 retirement benefit increase to be calculated pursuant to paragraph 4
19 of this section;

20 3. The retirement benefit increase shall not be a modification
21 of the final average compensation used in order to compute the
22 retirement benefit of the member; and

23 4. The retirement benefit increase may only be computed by
24 using the then-applicable gross annual retirement benefit for the

1 member divided by the whole number twelve (12). The resulting
2 amount may be paid to the retired member in addition to the
3 retirement benefits otherwise payable to the member.

4 SECTION 7. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 930.12 of Title 74, unless there
6 is created a duplication in numbering, reads as follows:

7 The board of trustees of the Oklahoma Public Employees
8 Retirement System shall provide a one-time retirement benefit
9 distribution subject to the following conditions:

10 1. The retirement benefit increase may only be provided to a
11 member of the System who has been retired for two (2) or more years
12 as of the effective date of the benefit increase;

13 2. The retirement benefit increase shall be One Thousand Five
14 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
15 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
16 retired members who are seventy-five (75) years of age or older
17 shall receive Five Hundred Dollars (\$500.00), which shall not be
18 included in the benefit amount limitation, in addition to the
19 retirement benefit increase to be calculated pursuant to paragraph 4
20 of this section;

21 3. The retirement benefit increase shall not be a modification
22 of the final average compensation used in order to compute the
23 retirement benefit of the member; and
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1 4. The retirement benefit increase may only be computed by
2 using the then-applicable gross annual retirement benefit for the
3 member divided by the whole number twelve (12). The resulting
4 amount may be paid to the retired member in addition to the
5 retirement benefits otherwise payable to the member.

6 SECTION 8. If the Emergency Clause is not approved pursuant to
7 the requirements of the Oklahoma Constitution as part of this
8 measure, the effective date of Section 1 of this act shall be
9 October 1, 2023.

10 SECTION 9. If the Emergency Clause is not approved pursuant to
11 the requirements of the Oklahoma Constitution as part of this
12 measure, the effective date of Sections 2 through 7 of this act
13 shall be November 1, 2023.

14 SECTION 10. Except as otherwise provided by Section 8 of this
15 act, Section 1 of this act shall become effective immediately upon
16 signature by the Governor or as otherwise provided by Section 58 of
17 Article V of the Oklahoma Constitution.

18 SECTION 11. Except as otherwise provided by Section 9 of this
19 act, Sections 2 through 7 of this act shall become effective July 1,
20 2023.

21 SECTION 12. It being immediately necessary for the preservation
22 of the public peace, health or safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 Passed the House of Representatives the 22nd day of March, 2023.

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5 _____
6 Presiding Officer of the House
7 of Representatives

8 Passed the Senate the ____ day of _____, 2023.

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11 Presiding Officer of the Senate
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