

1 ENGROSSED HOUSE
2 BILL NO. 3291

By: Hardin and Hilbert of the
House

3 and

4 Woods of the Senate

5
6 An Act relating to state employee benefits; amending
7 62 O.S. 2021, Section 3103, as last amended by
8 Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.
9 2023, Section 3103), which relates to the Oklahoma
10 Pension Legislation Actuarial Analysis Act; modifying
11 definition; providing certain provisions to be deemed
12 nonfiscal; amending 74 O.S. 2021, Section 902, as
13 amended by Section 2, Chapter 146, O.S.L. 2023 (74
14 O.S. Supp. 2023, Section 902), which relates to the
15 Oklahoma Public Employees Retirement System;
16 modifying definition; providing for service credit
17 for purposes of normal retirement age or date;
18 prohibiting use of service credit for purpose of
19 retirement benefit computations; amending 74 O.S.
20 2021, Section 840-2.18, as last amended by Section 1,
21 Chapter 18, 1st Extraordinary Session, O.S.L. 2023
22 (74 O.S. Supp. 2023, Section 840-2.18), which relates
23 to longevity payments; modifying provisions to
24 authorize computation for certain services performed
pursuant to contracts; providing for codification;
and providing effective dates.

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

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

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

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

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

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

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

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

20 a. which does not affect the cost or funding factors of a
21 retirement system,

22 b. which affects such factors only in a manner which does
23 not:

24

- (1) grant a benefit increase under the retirement system affected by the bill,
- (2) create an actuarial accrued liability for or increase the actuarial accrued liability of the retirement system affected by the bill, or
- (3) increase the normal cost of the retirement system affected by the bill,

c. which authorizes the purchase by an active member of the retirement system, at the actuarial cost for the purchase as computed pursuant to the statute in effect on the effective date of the measure allowing such purchase, of years of service for purposes of reaching a normal retirement date in the applicable retirement system, but which cannot be used in order to compute the number of years of service for purposes of computing the retirement benefit for the member,

d. which provides for the computation of a service-connected disability retirement benefit for members of the Oklahoma Law Enforcement Retirement System pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes if the members were unable to complete twenty (20) years of service as a result of the disability,

e. which requires membership in the defined benefit plan authorized by Section 901 et seq. of Title 74 of the

1 Oklahoma Statutes for persons whose first elected or
2 appointed service occurs on or after November 1, 2018,
3 if such persons had any prior service in the Oklahoma
4 Public Employees Retirement System prior to November
5 1, 2015,

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 9. "Retirement system" means the Teachers' Retirement System of
23 Oklahoma, the Oklahoma Public Employees Retirement System, the
24 Uniform Retirement System for Justices and Judges, the Oklahoma

1 Firefighters Pension and Retirement System, the Oklahoma Police
2 Pension and Retirement System, the Oklahoma Law Enforcement
3 Retirement System, or a retirement system established after January
4 1, 2006.

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

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

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

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

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

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

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

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

23 (7) "Beneficiary" means any person named by a member to receive
24 any benefits as provided for by Section 901 et seq. of this title.

1 If there is no beneficiary living at time of member employee's
2 death, the member's estate shall be the beneficiary;

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

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

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

16 For compensation for service on or after January 1,
17 1988, through June 30, 1994, the maximum compensation
18 level shall be Forty Thousand Dollars (\$40,000.00) per
19 annum.

20 For compensation for service on or after July 1, 1994,
21 through June 30, 1995, the maximum compensation level
22 shall be Fifty Thousand Dollars (\$50,000.00) per
23 annum; for compensation for service on or after July
24 1, 1995, through June 30, 1996, the maximum

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

12 (b) Compensation for retirement purposes shall include any
13 amount of elective salary reduction under Section 457
14 of the Internal Revenue Code of 1986 and any amount of
15 nonelective salary reduction under Section 414(h) of
16 the Internal Revenue Code of 1986.

17 (c) Notwithstanding any provision to the contrary, the
18 compensation taken into account for any employee in
19 determining the contribution or benefit accruals for
20 any plan year is limited to the annual compensation
21 limit under Section 401(a)(17) of the federal Internal
22 Revenue Code.

23 (d) Current appointed members of the Oklahoma Tax
24 Commission whose salary is constitutionally limited

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

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

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

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

21 (13) "Eligible employer" means the state and any county, county
22 hospital, city or town, conservation districts, circuit engineering
23 districts and any public or private trust in which a county, city or
24 town participates and is the primary beneficiary, is to be an

1 eligible employer for the purpose of Section 901 et seq. of this
2 title only, whose employees are covered by Social Security and are
3 not covered by or eligible for another retirement plan authorized
4 under the laws of this state which is in operation on the initial
5 entry date. Emergency medical service districts may join the System
6 upon proper application to the Board. Provided, affiliation by a
7 county hospital shall be in the form of a resolution adopted by the
8 board of control.

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

18 (b) A class or several classes of employees who are
19 covered by Social Security and are not covered by or
20 eligible for and will not become eligible for another
21 retirement plan authorized under the laws of this
22 state, which is in operation on the effective date,
23 and when the qualifications for employment in such
24 class or classes are set by state law; and when such

1 class or classes of employees are employed by a county
2 or municipal government pursuant to such
3 qualifications; and when the services provided by such
4 employees are of such nature that they qualify for
5 matching by or contributions from state or federal
6 funds administered by an agency of state government
7 which qualifies as a participating employer, then the
8 agency of state government administering the state or
9 federal funds shall be deemed an eligible employer,
10 but only with respect to that class or those classes
11 of employees as defined in this subsection; provided,
12 that the required contributions to the retirement plan
13 may be withheld from the contributions of state or
14 federal funds administered by the state agency and
15 transmitted to the System on the same basis as the
16 employee and employer contributions are transmitted
17 for the direct employees of the state agency. The
18 retirement or eligibility for retirement under the
19 provisions of law providing pensions for service as a
20 volunteer firefighter shall not render any person
21 ineligible for participation in the benefits provided
22 for in Section 901 et seq. of this title. An employee
23 of any public or private trust in which a county, city
24 or town participates and is the primary beneficiary

1 shall be deemed to be an eligible employee for the
2 purpose of Section 901 et seq. of this title only.

3 (c) All employees of the George Nigh Rehabilitation
4 Institute who elected to retain membership in the
5 System, pursuant to Section 913.7 of this title, shall
6 continue to be eligible employees for the purposes of
7 Section 901 et seq. of this title. The George Nigh
8 Rehabilitation Institute shall be considered a
9 participating employer only for such employees.

10 (d) All employees of CompSource Mutual Insurance Company
11 who retain membership in the Oklahoma Public Employees
12 Retirement System pursuant to Section 913.9 of this
13 title shall continue to be eligible employees for the
14 purposes of the Oklahoma Public Employees Retirement
15 System. CompSource Mutual Insurance Company shall be
16 considered a participating employer only for such
17 employees.

18 (e) All employees of a successor organization, as defined
19 by Section 5-60.12 of Title 2 of the Oklahoma
20 Statutes, who retain membership in the Oklahoma Public
21 Employees Retirement System pursuant to Section 5-
22 60.35 of Title 2 of the Oklahoma Statutes shall
23 continue to be eligible employees for the purposes of
24 the Oklahoma Public Employees Retirement System. A

1 successor organization shall be considered a
2 participating employer only for such employees.

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

10 (14) "Employee" means any officer or employee of a
11 participating employer, whose employment is not seasonal or
12 temporary and whose employment requires at least one thousand
13 (1,000) hours of work per year and whose salary or wage is equal to
14 the hourly rate of the monthly minimum wage for state employees.
15 For those eligible employers outlined in Section 910 of this title,
16 the rate shall be equal to the hourly rate of the monthly minimum
17 wage for that employer. Each employer, whose minimum wage is less
18 than the state's minimum wage, shall inform the System of the
19 minimum wage for that employer. This notification shall be by
20 resolution of the governing body.

21 (a) Any employee of the county extension agents who is not
22 currently participating in the Teachers' Retirement
23 System of Oklahoma shall be a member of this System.
24

1 (b) Eligibility shall not include any employee who is a
2 contributing member of the United States Civil Service
3 Retirement System.

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

19 (d) Eligibility shall also not include any officer or
20 employee of the Oklahoma Employment Security
21 Commission, except for those officers and employees of
22 the Commission electing to transfer to this System
23 pursuant to the provisions of Section 910.1 of this
24 title or any other class of officers or employees

1 specifically exempted by the laws of this state,
2 unless there be a consolidation as provided by Section
3 912 of this title. Employees of the Oklahoma
4 Employment Security Commission who are ineligible for
5 enrollment in the Oklahoma Employment Security
6 Commission Retirement Plan, that was in effect on
7 January 1, 1964, shall become members of this System.

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

1 Service Bureau participates full time shall be counted
2 as six (6) months of full-time participating service.

3 (i) Except as otherwise provided by this
4 subparagraph, once a temporary session employee
5 makes a choice to participate or not, the choice
6 shall be binding for all future legislative
7 sessions during which the employee is employed.

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

17 (iii) Notwithstanding the provisions of division (i) of
18 this subparagraph, a temporary legislative
19 session employee who elected to become a member
20 of the System may withdraw from the System
21 effective the day such employee elected to
22 participate in the System upon written request to
23 the Board. Any such request must be received by
24 the Board prior to October 1, 1990. All employee

1 contributions made by the temporary legislative
2 session employee shall be returned to the
3 employee without interest within four (4) months
4 of receipt of the written request.

- 5 (iv) A member of the System who did not initially
6 elect to participate as a member of the System
7 pursuant to this subparagraph shall be able to
8 acquire service performed as a temporary
9 legislative session employee for periods of
10 service performed prior to the date upon which
11 the person became a member of the System if:
- 12 a. the member files an election with the System
13 not later than December 31, 2000, to
14 purchase the prior service; and
 - 15 b. the member makes payment to the System of
16 the actuarial cost of the service credit
17 pursuant to subsection A of Section 913.5 of
18 this title. The provisions of Section 913.5
19 of this title shall be applicable to the
20 purchase of the service credit, including
21 the provisions for determining service
22 credit in the event of incomplete payment
23 due to cessation of payments, death,
24 termination of employment or retirement, but

1 the payment may extend for a period not to
2 exceed ninety-six (96) months.

3 (f) "Employee" shall include a person who
4 performed services for the Oklahoma
5 Department of Agriculture, Food, and
6 Forestry pursuant to contract entered into
7 between July 1, 1997, and June 30, 2009, and
8 who subsequently became employed as a full-
9 time employee by the Department of
10 Agriculture, Food and Forestry;

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

14 (16) "Executive Director" means the managing officer of the
15 System employed by the Board under Section 901 et seq. of this
16 title;

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

20 (18) "Final average compensation" means the average annual
21 compensation, including amounts deferred under deferred compensation
22 agreements entered into between a member and a participating
23 employer, up to, but not exceeding the maximum compensation levels
24 as provided in paragraph (9) of this section received during the

1 highest three (3) of the last ten (10) years of participating
2 service immediately preceding retirement or termination of
3 employment and with respect to members whose first participating
4 service occurs on or after July 1, 2013, the compensation received
5 during the highest five (5) of the last ten (10) years of
6 participating service immediately preceding retirement or
7 termination of employment. Provided, no member shall retire with a
8 final average compensation unless the member has made the required
9 contributions on such compensation, as defined by the Board of
10 Trustees;

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

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

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

22 (22) "Member" means an eligible employee or elected official
23 who is in the System and is making the required employee or elected
24 official contributions, or any former employee or elected official

1 who shall have made the required contributions to the System and
2 shall have not received a refund or withdrawal;

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

8 (a) during the following periods, including the beginning
9 and ending dates, and only for the periods served,
10 from:

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

13 (ii) September 16, 1940, to December 7, 1941, as a
14 member of the 45th Division,

15 (iii) December 7, 1941, to December 31, 1946, commonly
16 referred to as World War II,

17 (iv) June 27, 1950, to January 31, 1955, commonly
18 referred to as the Korean Conflict or the Korean
19 War,

20 (v) February 28, 1961, to May 7, 1975, commonly
21 referred to as the Vietnam era, except that:

22 a. for the period from February 28, 1961, to
23 August 4, 1964, military service shall only
24

1 include service in the Republic of Vietnam
2 during that period, and

3 b. for purposes of determining eligibility for
4 education and training benefits, such period
5 shall end on December 31, 1976, or

6 (vi) August 1, 1990, to December 31, 1991, commonly
7 referred to as the Gulf War, the Persian Gulf
8 War, or Operation Desert Storm, but excluding any
9 person who served on active duty for training
10 only, unless discharged from such active duty for
11 a service-connected disability;

12 (b) during a period of war or combat military operation
13 other than a conflict, war or era listed in
14 subparagraph (a) of this paragraph, beginning on the
15 date of Congressional authorization, Congressional
16 resolution, or Executive Order of the President of the
17 United States, for the use of the Armed Forces of the
18 United States in a war or combat military operation,
19 if such war or combat military operation lasted for a
20 period of ninety (90) days or more, for a person who
21 served, and only for the period served, in the area of
22 responsibility of the war or combat military
23 operation, but excluding a person who served on active
24 duty for training only, unless discharged from such

1 active duty for a service-connected disability, and
2 provided that the burden of proof of military service
3 during this period shall be with the member, who must
4 present appropriate documentation establishing such
5 service.

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

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

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

21 (1) sixty-second birthday with respect to members
22 whose first participating service occurs prior to
23 November 1, 2011, or
24

1 (2) sixty-fifth birthday with respect to members
2 whose first participating service occurs on or
3 after November 1, 2011, or with respect to
4 members whose first participating service occurs
5 on or after November 1, 2011, who reach a minimum
6 age of sixty (60) years and who also reach a
7 normal retirement date pursuant to subparagraph c
8 of this paragraph,

9 (b) for any person who initially became a member prior to
10 July 1, 1992, and who does not reach a normal
11 retirement date pursuant to division (1) of
12 subparagraph (a) of this paragraph, the first day of
13 the month coinciding with or following the date at
14 which the sum of a member's age and number of years of
15 credited service total eighty (80); such a normal
16 retirement date will also apply to any person who
17 became a member of the sending system as defined in
18 Section 901 et seq. of this title, prior to July 1,
19 1992, regardless of whether there were breaks in
20 service after July 1, 1992,

21 (c) for any person who became a member after June 30,
22 1992, but prior to November 1, 2011, and who does not
23 reach a normal retirement date pursuant to division
24 (1) of subparagraph (a) of this paragraph, the first

1 day of the month coinciding with or following the date
2 at which the sum of a member's age and number of years
3 of credited service total ninety (90),

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

8 (i) a correctional or probation and parole officer
9 with the Department of Corrections and at the
10 time of retirement, the member was a correctional
11 or probation and parole officer with the
12 Department of Corrections,

13 (ii) a correctional officer, probation and parole
14 officer or fugitive apprehension agent with the
15 Department of Corrections who is in such position
16 on June 30, 2004, or who is hired after June 30,
17 2004, and who receives a promotion or change in
18 job classification after June 30, 2004, to
19 another position in the Department of
20 Corrections, so long as such officer or agent has
21 at least five (5) years of service as a
22 correctional officer, probation and parole
23 officer or fugitive apprehension agent with the
24 Department, has twenty (20) years of full-time-

1 equivalent employment with the Department and was
2 employed by the Department at the time of
3 retirement,

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

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

21 (v) a deputy sheriff or jailer employed by any county
22 that is a participating employer in the System
23 for the first time as a deputy sheriff or jailer
24 on or after November 1, 2020,

1 (e) for those fugitive apprehension agents who retire on
2 or after July 1, 2002, the first day of the month
3 coinciding with or following a member's completion of
4 at least twenty (20) years of full-time-equivalent
5 employment as a fugitive apprehension agent with the
6 Department of Corrections and at the time of
7 retirement, the member was a fugitive apprehension
8 agent with the Department of Corrections, or

9 (f) for any member who was continuously employed by an
10 entity or institution within The Oklahoma State System
11 of Higher Education and whose initial employment with
12 such entity or institution was prior to July 1, 1992,
13 and who without a break in service of more than thirty
14 (30) days became employed by an employer participating
15 in the Oklahoma Public Employees Retirement System,
16 the first day of the month coinciding with or
17 following the date at which the sum of the member's
18 age and number of years of credited service total
19 eighty (80);

20 (25) "Participating employer" means an eligible employer who
21 has agreed to make contributions to the System on behalf of its
22 employees;

23 (26) "Participating service" means the period of employment
24 after the entry date for which credit is granted a member or which

1 is otherwise authorized by the provisions of Section 3 of this act,
2 except for purposes of computation of a retirement benefit amount.

3 Provided, on or after the effective date of this act, military
4 service credit purchased under Section 913.8 of this title shall
5 only be considered "participating service" if such service is
6 immediately preceded by a period of employment with a participating
7 employer and followed by a return to service as an employee with the
8 same or another participating employer within ninety (90) days
9 immediately following discharge from such military service;

10 (27) "Prior service" means the period of employment of a member
11 by an eligible employer prior to the member's entry date for which
12 credit is granted a member under Section 901 et seq. of this title.
13 Provided, on or after the effective date of this act, "prior
14 service" shall also include service purchased under Section 913.8 of
15 this title which does not meet the requirements of paragraph 26 of
16 this section;

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

19 (29) "Retirement benefit" means a monthly income with benefits
20 accruing from the first day of the month coinciding with or
21 following retirement and ending on the last day of the month in
22 which death occurs or the actuarial equivalent thereof paid in such
23 manner as specified by the member pursuant to Section 901 et seq. of
24

1 this title or as otherwise allowed to be paid at the discretion of
2 the Board;

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

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

8 (32) "Total disability" means a physical or mental disability
9 accepted for disability benefits by the federal Social Security
10 System;

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

15 (34) "Elected official" means a person elected to a state
16 office in the legislative or executive branch of state government or
17 a person elected to a county office for a definite number of years
18 and shall include an individual who is appointed to fill the
19 unexpired term of an elected state official;

20 (35) "Elected service" means the period of service as an
21 elected official;

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

1 (37) "Public safety officers of the Grand River Dam Authority"
2 means those persons hired by the Grand River Dam Authority on or
3 after March 21, 2001, who are certified by the Council on Law
4 Enforcement Education and Training or an equivalent certifying
5 entity for law enforcement personnel training and who perform law
6 enforcement functions as part of their regularly assigned duties and
7 responsibilities on a full-time basis. With respect to any public
8 safety officer hired by the Grand River Dam Authority on or after
9 March 21, 2001, any earned benefits or credits toward retirement
10 benefits from previous participation within the Oklahoma Public
11 Employees Retirement System or the Oklahoma Law Enforcement
12 Retirement System shall remain within that system.

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

16 Members of the Oklahoma Public Employees Retirement System as of
17 June 30, 2024, who performed services for the Oklahoma Department of
18 Agriculture, Food, and Forestry pursuant to a contract entered into
19 between July 1, 1997, and June 30, 2009, shall receive, for purposes
20 of computing a normal retirement date or age in the System, but not
21 for purposes of any retirement benefit computation, credit for the
22 period of time during such employee was performing services under
23 that contract. The service credit authorized by this section may
24

1 only be used in order to determine eligibility for retirement from
2 the System.

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

7 Section 840-2.18 A. A longevity pay plan is hereby adopted.
8 This plan applies to all state employees, excluding members of
9 boards and commissions, institutions under the administrative
10 authority of the Oklahoma State Regents for Higher Education,
11 employees of public school districts, and elected officials. The
12 plan shall also apply to those employees of the Oklahoma School for
13 the Blind and the Oklahoma School for the Deaf who qualify for
14 longevity pay in accordance with subsection G of Section 1419 of
15 Title 10 of the Oklahoma Statutes.

16 B. The Oklahoma Conservation Commission is hereby authorized to
17 establish a longevity pay program for employees of the conservation
18 districts employed under Section 3-3-103 of Title 27A of the
19 Oklahoma Statutes. Such longevity pay program shall be consistent
20 with the longevity pay program for state employees authorized under
21 this title and payments shall be made in a manner consistent with
22 procedures for reimbursement to conservation districts.

23 C. To be eligible for longevity pay, employees must have been
24 continuously employed in the service of the state for a minimum of

1 two (2) years in full-time status or in part-time status working
2 more than one thousand (1,000) hours a year.

3 For purposes of this section, a break in service of thirty (30)
4 calendar days or less shall not be considered an interruption of
5 continuous service; a break in service of more than thirty (30)
6 calendar days shall mark an end to continuous service. The
7 legislative session employees who have worked for two (2) years or
8 more in part-time status and are eligible for state retirement
9 benefits, but do not receive other longevity payments, shall be
10 eligible and shall be considered to have been continuously employed
11 for purposes of calculating longevity payments, notwithstanding the
12 provisions of subsection E of this section.

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

15	Years of Service	Annual Longevity Payment
16	At least 2 years but	
17	less than 4 years	\$250.00
18	At least 4 years but	
19	less than 6 years	\$426.00
20	At least 6 years but	
21	less than 8 years	\$626.00
22	At least 8 years but	
23	less than 10 years	\$850.00

24

1	At least 10 years but	
2	less than 12 years	\$1,062.00
3	At least 12 years but	
4	less than 14 years	\$1,250.00
5	At least 14 years but	
6	less than 16 years	\$1,500.00
7	At least 16 years but	
8	less than 18 years	\$1,688.00
9	At least 18 years but	
10	less than 20 years	\$1,900.00
11	At least 20 years	\$2,000.00

12 2. For each additional two (2) years of service after the first
13 twenty (20) years an additional Two Hundred Dollars (\$200.00) shall
14 be added to the amount stated above for twenty (20) years of
15 service.

16 The total amount of the annual longevity payment made to an
17 employee by any and all state agencies in any year shall not exceed
18 the amount shown on the table corresponding to that employee's years
19 of service with the state, except as otherwise provided by Section
20 840-2.28 of this title. Further, no employee shall receive
21 duplicating longevity payments for the same periods of service with
22 any and all agencies, except as otherwise provided by Section 840-
23 2.28 of this title.

24

1 E. To determine years of service, cumulative periods of full-
2 time employment or part-time employment working more than one
3 hundred fifty (150) hours per month with the state excluding service
4 as specified in subsection A of this section are applicable. Part-
5 time employment, working one hundred fifty (150) hours per month or
6 less for the state, excluding service as specified in subsection A
7 of this section, shall be counted only if:

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

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

11 Other employment shall not be counted as service for purposes of
12 longevity payments. Further, no period of employment with the
13 state, whether with one or more than one agency, shall be counted as
14 more than full-time service.

15 b. For purposes of the computation required by this
16 section, any service performed by a person during
17 which the person received compensation for duties
18 performed for the state shall be counted if payment
19 for such service was made using state fiscal
20 resources. The provisions of this paragraph shall not
21 apply to elected or appointed justices or judges,
22 including special judges, who perform services in the
23 trial or appellate courts. The provisions of this
24 section shall apply to persons who perform services as

1 an administrative law judge within the executive
2 department and employees of the judicial branch.

3 c. For purposes of the computation required by this
4 section, any service performed pursuant to a contract
5 for the Oklahoma Department of Agriculture, Food and
6 Forestry between July 1, 1997, and June 30, 2009,
7 shall be included as if such period of time had been
8 performed by full-time equivalent employees of the
9 Oklahoma Department of Agriculture, Food, and Forestry
10 or its predecessor entity, if the person performing
11 such services became employed by the Oklahoma
12 Department of Agriculture, Food and Forestry after the
13 last date as of which the person performed services
14 for the agency pursuant to a contract. The provisions
15 of this subparagraph shall only be used for
16 computation of the longevity payment otherwise
17 authorized for payments made on or after the effective
18 date of this act and shall not be used for any
19 retroactive payments for any period prior to the
20 effective date of this act.

21 F. Years of service under the administrative authority of the
22 Oklahoma State Regents for Higher Education or the administrative
23 authority of the Oklahoma Department of Career and Technology
24 Education of any employee who is now employed in a job

1 classification which is eligible for longevity pay shall be included
2 in years of service for purposes of determining longevity pay.

3 G. Years of service shall be certified through the current
4 employing agency by the appointing authority on a form approved by
5 the Office of Management and Enterprise Services. The form shall be
6 completed and posted as directed by the Director of the Office of
7 Management and Enterprise Services by the current employing agency
8 when the employee initially enters on duty with the agency and
9 thereafter whenever the employee's anniversary date is changed.

10 H. Eligible employees, in full-time status or in part-time
11 status working more than one hundred fifty (150) hours per month,
12 shall receive one (1) lump-sum annual payment, in the amount
13 provided on the preceding schedule, during the month following the
14 anniversary date of the employee's most recent enter-on-duty day
15 with the state. Upon implementation of the statewide information
16 systems project, the lump-sum annual payment may be paid concurrent
17 with the final payroll of the month of the employee's anniversary
18 date. Eligible part-time employees who work one hundred fifty (150)
19 hours per month or less shall receive one (1) lump-sum annual
20 payment, based on the formula in subsection L of this section,
21 during the month following the anniversary date of the employee's
22 most recent enter-on-duty day with the state. To receive longevity
23 pay an employee must be in pay status on or after his or her
24 anniversary date.

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

6 1. The month of August if the employee is in pay status on July
7 1; or

8 2. During the month following the employee's first return to
9 duty that fiscal year if the employee is not in pay status on July
10 1.

11 Except as otherwise provided by Section 840-2.28 of this title,
12 employees terminated as a result of a reduction-in-force or retiring
13 from state employment shall receive upon said termination or
14 retirement the proportionate share of any longevity payment which
15 may have accrued as of the date of termination or retirement.

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

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

24

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

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

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

10 K. A break in service with the state in excess of thirty (30)
11 days but which does not exceed two (2) years which was caused by a
12 reduction-in-force shall be treated as if it were a period of
13 nonpaid leave status as provided for in subsection I of this section
14 for the purpose of calculating total months of service for longevity
15 pay. This subsection shall only apply to state employees laid off
16 after June 30, 1982.

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

24

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

4 N. The Director of the Office of Management and Enterprise
5 Services is authorized to promulgate such Longevity Pay Plan Rules
6 as he or she finds necessary to carry out the provisions of this
7 section.

8 O. As of July 1, 1998, years of service with a city-county
9 health department for employees who left a city-county health
10 department for employment with the Department of Environmental
11 Quality or the Oklahoma Department of Agriculture, Food, and
12 Forestry, between July 1, 1993, and July 1, 1998, and who are now
13 employed in a job classification that is eligible for longevity pay
14 pursuant to this section, shall be included in years of service for
15 purposes of determining longevity pay subsequent to July 1, 1998.

16 P. As of July 1, 2003, years of service with a local
17 conservation district shall be included in years of service for
18 purposes of determining longevity pay for local conservation
19 district employees transferred to the Oklahoma Conservation
20 Commission pursuant to the provisions of this section.

21 SECTION 5. Section 1 of this act shall become effective October
22 1, 2024.

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

1 Passed the House of Representatives the 11th day of March, 2024.

2
3 _____
4 Presiding Officer of the House
5 of Representatives

6 Passed the Senate the ___ day of _____, 2024.

7
8 _____
9 Presiding Officer of the Senate