

FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1277 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Charles McCall

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

FLOOR SUBSTITUTE
FOR

HOUSE BILL NO. 1277

By: McCall, Fugate, Menz, and
HumphreyFLOOR SUBSTITUTE

An Act relating to public retirement systems;
amending 62 O.S. 2021, Section 3103, as amended by
Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.
2023, Section 3103), which relates to the Oklahoma
Pension Legislation Actuarial Analysis Act; modifying
definition; defining term; authorizing grant of
retirement benefit increase for members of the
Oklahoma Firefighters Pension and Retirement System,
the Oklahoma Police Pension and Retirement System,
the Uniform Retirement System for Justices and
Judges, the Oklahoma Law Enforcement Retirement
System, the Teachers' Retirement System of Oklahoma,
and the Oklahoma Public Employees Retirement System
subject to limitation based upon funded ratio;
prescribing conditions for retirement benefit
increase; authorizing grant of benefit increase;
prescribing date for effect of benefit increases;
providing for offset; specifying amount of increase;
providing for certain comparison of benefit increases
authorized by certain statutory provisions; 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:

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

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

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

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

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

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

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

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

1 e. which requires membership in the defined benefit plan
2 authorized by Section 901 et seq. of Title 74 of the
3 Oklahoma Statutes for persons whose first elected or
4 appointed service occurs on or after November 1, 2018,
5 if such persons had any prior service in the Oklahoma
6 Public Employees Retirement System prior to November
7 1, 2015,

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

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

22 (2) the lesser of two percent (2%) of the gross
23 annual retirement benefit of the member or One
24 Thousand Two Hundred Dollars (\$1,200.00) and

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

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

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

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

1 actuarial accrued liability of the applicable
2 retirement system,

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

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

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

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

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

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

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

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

22 i. which modifies the computation of the line-of-duty
23 disability benefit pursuant to ~~the provisions of this~~
24

~~act~~ Sections 50-101 and 50-115 of Title 11 of the
Oklahoma Statutes, or

j. which provides a cost-of-living adjustment as
prescribed by Sections 2 through 7 of this act.

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

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

7. "Retirement bill" means any bill or joint resolution introduced or any bill or joint resolution amended by a member of the Oklahoma Legislature which creates or amends any law directly affecting a retirement system. A retirement bill shall not mean a bill or resolution that impacts the revenue of any state tax in which a portion of the revenue generated from such tax is earmarked 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 A. As used in this section, "funded ratio" means the figure
15 derived by dividing the actuarial value of retirement system assets
16 by the actuarial accrued liability amount of the retirement system
17 using the information reported to the retirement system by its
18 actuary in the annual valuation and which is computed as of a day
19 certain.

20 B. Except as provided in subsection D of this section and
21 except for persons receiving benefits pursuant to Section 49-101 of
22 Title 11 of the Oklahoma Statutes, effective November 1, 2024, the
23 board of trustees of the Oklahoma Firefighters Pension and
24 Retirement System shall grant a four percent (4%) retirement benefit

1 increase to the retired members of the system or their beneficiaries
2 if the funded ratio of the retirement system will be at least eighty
3 percent (80%) after the benefit increase is provided to the eligible
4 retirees or beneficiaries.

5 C. Except as provided in subsection D of this section and
6 except for persons receiving benefits pursuant to Section 49-101 of
7 Title 11 of the Oklahoma Statutes, effective November 1, 2024, if
8 the funded ratio of the retirement system will not be at least
9 eighty percent (80%) after the benefit increase prescribed in
10 subsection B of this section, the board of trustees shall grant a
11 two percent (2%) retirement benefit increase to the retired members
12 of the system or their beneficiaries.

13 D. Any increase in benefits a person is eligible to receive
14 pursuant to repealed Section 49-136 of Title 11 of the Oklahoma
15 Statutes after June 30, 2020, shall be used to offset the increase
16 of benefits provided in this section.

17 E. Effective November 1, 2024, any person receiving benefits
18 pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes
19 shall each receive an increase in benefits of four percent (4%) if
20 the funded ratio of the retirement system will be at least eighty
21 percent (80%) after a benefit increase is provided to the eligible
22 retirees or beneficiaries to:

23 1. Seven Dollars and eighty-three cents (\$7.83) per year of
24 credited service, not to exceed thirty (30) years of service if the

1 person's retirement benefit was not adjusted pursuant to the
2 provisions of Section 49-143.7 of Title 11 of the Oklahoma Statutes;

3 2. Seven Dollars and ninety-nine cents (\$7.99) per year of
4 credited service, not to exceed thirty (30) years of service if the
5 person's retirement benefit was adjusted pursuant to Section 49-
6 143.7 of Title 11 of the Oklahoma Statutes from a base amount of
7 Seven Dollars and sixty-eight cents (\$7.68); or

8 3. Eight Dollars and fourteen cents (\$8.14) per year of
9 credited service, not to exceed thirty (30) years of service if the
10 person's retirement benefit was adjusted pursuant to Section 49-
11 143.7 of Title 11 of the Oklahoma Statutes from a base amount of
12 Seven Dollars and eighty-three cents (\$7.83).

13 F. If the funded ratio of the retirement system will not be at
14 least eighty percent (80%) after the benefit increase prescribed in
15 subsection E of this section, effective November 1, 2024, any person
16 receiving benefits pursuant to Section 49-101 of Title 11 of the
17 Oklahoma Statutes shall each receive an increase in benefits of two
18 percent (2%) to:

19 1. Seven Dollars and sixty-eight cents (\$7.68) per year of
20 credited service, not to exceed thirty (30) years of service if the
21 person's retirement benefit was not adjusted pursuant to the
22 provisions of Section 49-143.7 of Title 11 of the Oklahoma Statutes;

23 2. Seven Dollars and eighty-three cents (\$7.83) per year of
24 credited service, not to exceed thirty (30) years of service if the

1 person's retirement benefit was adjusted pursuant to Section 49-
2 143.7 of Title 11 of the Oklahoma Statutes from a base amount of
3 Seven Dollars and sixty-eight cents (\$7.68); or

4 3. Seven Dollars and ninety-nine cents (\$7.99) per year of
5 credited service, not to exceed thirty (30) years of service if the
6 person's retirement benefit was adjusted pursuant to Section 49-
7 143.7 of Title 11 of the Oklahoma Statutes from a base amount of
8 Seven Dollars and eighty-three cents (\$7.83).

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

12 A. As used in this section, "funded ratio" means the figure
13 derived by dividing the actuarial value of retirement system assets
14 by the actuarial accrued liability amount of the retirement system
15 using the information reported to the retirement system by its
16 actuary in the annual valuation and which is computed as of a day
17 certain.

18 B. Except as provided in subsection D of this section, the
19 board of trustees of the Oklahoma Police Pension and Retirement
20 System shall grant a four percent (4%) retirement benefit increase
21 effective November 1, 2024, to the retired members of the system or
22 their beneficiaries if the funded ratio of the retirement system
23 will be at least eighty percent (80%) after the benefit increase is
24 provided to the eligible retirees or beneficiaries.

1 C. Except as provided in subsection D of this section, if the
2 funded ratio of the retirement system will not be at least eighty
3 percent (80%) after the benefit increase prescribed in subsection B
4 of this section, the board of trustees shall grant a two percent
5 (2%) retirement benefit increase effective November 1, 2024, to the
6 retired members of the system or their beneficiaries.

7 D. Any increase in benefits a person is eligible to receive
8 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma
9 Statutes, after June 30, 2020, shall be offset by the increase
10 provided by this section.

11 SECTION 4. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 1104L of Title 20, unless there
13 is created a duplication in numbering, reads as follows:

14 A. As used in this section, "funded ratio" means the figure
15 derived by dividing the actuarial value of retirement system assets
16 by the actuarial accrued liability amount of the retirement system
17 using the information reported to the retirement system by its
18 actuary in the annual valuation and which is computed as of a day
19 certain.

20 B. The board of trustees of the Uniform Retirement System for
21 Justices and Judges shall grant a four percent (4%) retirement
22 benefit increase effective November 1, 2024, to the retired members
23 of the system or their beneficiaries if the funded ratio of the
24 retirement system will be at least eighty percent (80%) after the

1 benefit increase is provided to the eligible retirees or
2 beneficiaries.

3 C. If the funded ratio of the retirement system will not be at
4 least eighty percent (80%) after the benefit increase prescribed in
5 subsection B of this section, the board of trustees shall grant a
6 two percent (2%) retirement benefit increase effective November 1,
7 2024, to the retired members of the system or their beneficiaries.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 2-305.13 of Title 47, unless
10 there is created a duplication in numbering, reads as follows:

11 A. As used in this section, "funded ratio" means the figure
12 derived by dividing the actuarial value of retirement system assets
13 by the actuarial accrued liability amount of the retirement system
14 using the information reported to the retirement system by its
15 actuary in the annual valuation and which is computed as of a day
16 certain.

17 B. Except as provided in subsection D of this section, the
18 board of trustees of the Oklahoma Law Enforcement Retirement System
19 shall grant a four percent (4%) retirement benefit increase
20 effective November 1, 2024, to the retired members of the system or
21 their beneficiaries if the funded ratio of the retirement system
22 will be at least eighty percent (80%) after the benefit increase is
23 provided to the eligible retirees or beneficiaries.

1 C. If the funded ratio of the retirement system will not be at
2 least eighty percent (80%) after the benefit increase prescribed in
3 subsection B of this section, the board of trustees shall grant a
4 two percent (2%) retirement benefit increase effective November 1,
5 2024, to the retired members of the system or their beneficiaries.

6 D. Any increase in benefits a person is eligible to receive
7 pursuant to subsection B, C, or D of Section 2-305 of Title 47 of
8 the Oklahoma Statutes, after October 31, 2024, shall be offset by
9 the increase in benefits provided by this section.

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

13 A. As used in this section, "funded ratio" means the figure
14 derived by dividing the actuarial value of retirement system assets
15 by the actuarial accrued liability amount of the retirement system
16 using the information reported to the retirement system by its
17 actuary in the annual valuation and which is computed as of a day
18 certain.

19 B. The board of trustees of the Teachers' Retirement System of
20 Oklahoma shall grant a four percent (4%) retirement benefit increase
21 effective November 1, 2024, to the retired members of the system or
22 their beneficiaries if the funded ratio of the retirement system
23 will be at least eighty percent (80%) after the benefit increase is
24 provided to the eligible retirees or beneficiaries.

1 C. If the funded ratio of the retirement system will not be at
2 least eighty percent (80%) after the benefit increase prescribed in
3 subsection B of this section, the board of trustees shall grant a
4 two percent (2%) retirement benefit increase effective November 1,
5 2024, to the retired members of the system or their beneficiaries.

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

9 A. As used in this section, "funded ratio" means the figure
10 derived by dividing the actuarial value of retirement system assets
11 by the actuarial accrued liability amount of the retirement system
12 using the information reported to the retirement system by its
13 actuary in the annual valuation and which is computed as of a day
14 certain.

15 B. The board of trustees of the Oklahoma Public Employees
16 Retirement System shall grant a four percent (4%) retirement benefit
17 increase effective November 1, 2024, to the retired members of the
18 system or their beneficiaries if the funded ratio of the retirement
19 system will be at least eighty percent (80%) after the benefit
20 increase is provided to the eligible retirees or beneficiaries.

21 C. If the funded ratio of the retirement system will not be at
22 least eighty percent (80%) after the benefit increase prescribed in
23 subsection B of this section, the board of trustees shall grant a
24

1 two percent (2%) retirement benefit increase effective November 1,
2 2024, to the retired members of the system or their beneficiaries.

3 SECTION 8. Section 1 of this act shall become effective October
4 1, 2024.

5 SECTION 9. Sections 2 through 7 of this act shall become
6 effective November 1, 2024.

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