

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 59th Legislature (2024)

4   COMMITTEE SUBSTITUTE  
5   FOR  
6   HOUSE BILL NO. 3291

By: Hardin and **Hilbert** of the  
House

and

**Woods** of the Senate

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10                                   COMMITTEE SUBSTITUTE

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

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. 2023,  
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,  
24

- 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.  
24

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 of this act,

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 for the inclusion of service credit for  
5 purposes of determining a normal retirement age or  
6 date as provided by Section 3 of this act.

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

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

18 7. "Retirement bill" means any bill or joint resolution  
19 introduced or any bill or joint resolution amended by a member of  
20 the Oklahoma Legislature which creates or amends any law directly  
21 affecting a retirement system. A retirement bill shall not mean a  
22 bill or resolution that impacts the revenue of any state tax in  
23 which a portion of the revenue generated from such tax is earmarked  
24 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.        AMENDATORY        74 O.S. 2021, Section 902, as  
12 amended by Section 2, Chapter 146, O.S.L. 2023 (74 O.S. Supp. 2023,  
13 Section 902), is amended to read as follows:

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

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

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

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

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



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

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

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

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

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

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

22 For compensation for service on or after January 1,  
23 1988, through June 30, 1994, the maximum compensation  
24

1 level shall be Forty Thousand Dollars (\$40,000.00) per  
2 annum.

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

19 (b) Compensation for retirement purposes shall include any  
20 amount of elective salary reduction under Section 457  
21 of the Internal Revenue Code of 1986 and any amount of  
22 nonelective salary reduction under Section 414(h) of  
23 the Internal Revenue Code of 1986.  
24

1 (c) Notwithstanding any provision to the contrary, the  
2 compensation taken into account for any employee in  
3 determining the contribution or benefit accruals for  
4 any plan year is limited to the annual compensation  
5 limit under Section 401(a)(17) of the federal Internal  
6 Revenue Code.

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

22 (10) "Credited service" means the sum of participating service,  
23 prior service and elected service;  
24

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

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

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

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

1 or those classes of employees as defined in this  
2 section.

3 (b) A class or several classes of employees who are  
4 covered by Social Security and are not covered by or  
5 eligible for and will not become eligible for another  
6 retirement plan authorized under the laws of this  
7 state, which is in operation on the effective date,  
8 and when the qualifications for employment in such  
9 class or classes are set by state law; and when such  
10 class or classes of employees are employed by a county  
11 or municipal government pursuant to such  
12 qualifications; and when the services provided by such  
13 employees are of such nature that they qualify for  
14 matching by or contributions from state or federal  
15 funds administered by an agency of state government  
16 which qualifies as a participating employer, then the  
17 agency of state government administering the state or  
18 federal funds shall be deemed an eligible employer,  
19 but only with respect to that class or those classes  
20 of employees as defined in this subsection; provided,  
21 that the required contributions to the retirement plan  
22 may be withheld from the contributions of state or  
23 federal funds administered by the state agency and  
24 transmitted to the System on the same basis as the

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

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

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

1 considered a participating employer only for such  
2 employees.

3 (e) All employees of a successor organization, as defined  
4 by Section 5-60.12 of Title 2 of the Oklahoma  
5 Statutes, who retain membership in the Oklahoma Public  
6 Employees Retirement System pursuant to Section 5-  
7 60.35 of Title 2 of the Oklahoma Statutes shall  
8 continue to be eligible employees for the purposes of  
9 the Oklahoma Public Employees Retirement System. A  
10 successor organization shall be considered a  
11 participating employer only for such employees.

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

19 (14) "Employee" means any officer or employee of a  
20 participating employer, whose employment is not seasonal or  
21 temporary and whose employment requires at least one thousand  
22 (1,000) hours of work per year and whose salary or wage is equal to  
23 the hourly rate of the monthly minimum wage for state employees.  
24 For those eligible employers outlined in Section 910 of this title,

1 the rate shall be equal to the hourly rate of the monthly minimum  
2 wage for that employer. Each employer, whose minimum wage is less  
3 than the state's minimum wage, shall inform the System of the  
4 minimum wage for that employer. This notification shall be by  
5 resolution of the governing body.

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

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

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



1           those employees who have previously withdrawn their  
2           contributions.

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

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

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

11 (i) Except as otherwise provided by this  
12 subparagraph, once a temporary session employee  
13 makes a choice to participate or not, the choice  
14 shall be binding for all future legislative  
15 sessions during which the employee is employed.

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

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

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

1                   pursuant to subsection A of Section 913.5 of  
2                   this title. The provisions of Section 913.5  
3                   of this title shall be applicable to the  
4                   purchase of the service credit, including  
5                   the provisions for determining service  
6                   credit in the event of incomplete payment  
7                   due to cessation of payments, death,  
8                   termination of employment or retirement, but  
9                   the payment may extend for a period not to  
10                  exceed ninety-six (96) months.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

1                   will be used in calculating the retirement  
2                   benefit,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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



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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

10  
11 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND  
12 PENSIONS, dated 02/27/2024 - DO PASS, As Amended and Coauthored.

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