

1 **SENATE FLOOR VERSION**

2 April 9, 2024

3 ENGROSSED HOUSE
4 BILL NO. 4051

By: May and Munson of the House
and
Rader of the Senate

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8 An Act relating to retirement; amending 62 O.S. 2021,
9 Section 3103, as amended by Section 1, Chapter 306,
10 O.S.L. 2022 (62 O.S. Supp. 2023, Section 3103), which
11 relates to the Oklahoma Pension Legislation Actuarial
12 Analysis Act; modifying definition; amending 11 O.S.
2021, Section 49-138, which relates to the
13 Firefighters Pension and Retirement System; providing
14 for the purchase of military service credit; and
15 providing effective dates.

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

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

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

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

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

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

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

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

16 a. which does not affect the cost or funding factors of a
17 retirement system,

18 b. which affects such factors only in a manner which does
19 not:

20 (1) grant a benefit increase under the retirement
21 system affected by the bill,

22 (2) create an actuarial accrued liability for or
23 increase the actuarial accrued liability of the
24 retirement system affected by the bill, or

- 1 (3) increase the normal cost of the retirement system
2 affected by the bill,
- 3 c. which authorizes the purchase by an active member of
4 the retirement system, at the actuarial cost for the
5 purchase as computed pursuant to the statute in effect
6 on the effective date of the measure allowing such
7 purchase, of years of service for purposes of reaching
8 a normal retirement date in the applicable retirement
9 system, but which cannot be used in order to compute
10 the number of years of service for purposes of
11 computing the retirement benefit for the member,
- 12 d. which provides for the computation of a service-
13 connected disability retirement benefit for members of
14 the Oklahoma Law Enforcement Retirement System
15 pursuant to Section 2-305 of Title 47 of the Oklahoma
16 Statutes if the members were unable to complete twenty
17 (20) years of service as a result of the disability,
- 18 e. which requires membership in the defined benefit plan
19 authorized by Section 901 et seq. of Title 74 of the
20 Oklahoma Statutes for persons whose first elected or
21 appointed service occurs on or after November 1, 2018,
22 if such persons had any prior service in the Oklahoma
23 Public Employees Retirement System prior to November
24 1, 2015,

1 f. which provides for a one-time increase in retirement
2 benefits if the increase in retirement benefits is not
3 a permanent increase in the gross annual retirement
4 benefit payable to a member or beneficiary, occurs
5 only once pursuant to a single statutory authorization
6 and does not exceed:

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

15 (2) the lesser of two percent (2%) of the gross
16 annual retirement benefit of the member or One
17 Thousand Two Hundred Dollars (\$1,200.00) and
18 requires that the benefit may only be provided if
19 the funded ratio of the affected retirement
20 system would be greater than eighty percent (80%)
21 but not greater than one hundred percent (100%)
22 after the benefit increase is paid,

23 (3) the lesser of two percent (2%) of the gross
24 annual retirement benefit of the member or One

1 Thousand Four Hundred Dollars (\$1,400.00) and
2 requires that the benefit may only be provided if
3 the funded ratio of the affected retirement
4 system would be greater than one hundred percent
5 (100%) after the benefit increase is paid, or
6 (4) the greater of two percent (2%) of the gross
7 annual retirement benefit of the volunteer
8 firefighter or One Hundred Dollars (\$100.00) for
9 persons who retired from the Oklahoma
10 Firefighters Pension and Retirement System as
11 volunteer firefighters and who did not retire
12 from the Oklahoma Firefighters Pension and
13 Retirement System as a paid firefighter.

14 As used in this subparagraph, "funded ratio" means the
15 figure derived by dividing the actuarial value of
16 assets of the applicable retirement system by the
17 actuarial accrued liability of the applicable
18 retirement system,

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

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

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

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

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

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

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

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

i. which modifies the computation of the line-of-duty disability benefit pursuant to ~~the provisions of this act~~ Sections 50-101 and 50-115 of Title 11 of the Oklahoma Statutes, or

j. which allows the purchase of military prior service credit pursuant to the provisions 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

1 earmarking of a portion of the revenue from a tax to a retirement
2 system or increasing the percentage of the revenue earmarked from a
3 tax to a retirement system;

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

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

15 8. "Retirement bill having a fiscal impact" means any
16 retirement bill creating or establishing a retirement system and any
17 other retirement bill other than a nonfiscal retirement bill; and

18 9. "Retirement system" means the Teachers' Retirement System of
19 Oklahoma, the Oklahoma Public Employees Retirement System, the
20 Uniform Retirement System for Justices and Judges, the Oklahoma
21 Firefighters Pension and Retirement System, the Oklahoma Police
22 Pension and Retirement System, the Oklahoma Law Enforcement
23 Retirement System, or a retirement system established after January
24 1, 2006.

SECTION 2. AMENDATORY 11 O.S. 2021, Section 49-138, is amended to read as follows:

Section 49-138. A. Any member of a regularly constituted fire department of any municipality who is now serving or may hereafter serve in the Armed Forces of the United States whether such service is voluntary or involuntary, who shall have been a member of such fire department at the time of entering such service, shall be entitled to have the whole of the time of such service applied under the provisions of Section 49-106 of this title, so far as the same applies to a service pension; provided further, that the municipality shall continue its payment into said pension fund, to the same force and effect as though the member were in the actual service of such fire department; provided, that any person who is eligible for such service but who shall have volunteered for military or naval service for a period not to exceed five (5) years shall likewise be entitled to all of the benefits of Sections 49-138 through 49-142 of this title for the full period of such service or enlistment; provided further, that only one such period of voluntary service shall be considered hereunder. If such person shall reenlist, unless required to do so by law, such person shall not thereafter be entitled to the provisions of this subsection. The provisions of this subsection shall not apply where any such person dies during the period of said service or enlistment, and shall not entitle the surviving spouse or children to any benefits, and shall

1 not apply to any member who shall have served on active duty
2 (including initial active duty) for training purposes only and/or
3 inactive duty training.

4 B. Effective February 1, 1997, credited service received
5 pursuant to this section or credited service for wartime military
6 service received as otherwise provided by law shall be used in
7 determining the member's retirement benefit but shall not be used in
8 determining years of service for retirement, vesting purposes or
9 eligibility for participation in the Oklahoma Firefighters Deferred
10 Option Plan. For a member of the System hired on or after July 1,
11 2003, if the military service credit authorized by this section is
12 used to compute the retirement benefit of the member and the member
13 retires from the System, such military service credit shall not be
14 used to compute the retirement benefit in any other retirement
15 system created pursuant to the Oklahoma Statutes and the member may
16 receive credit for such service only in the retirement system from
17 which the member first retires.

18 C. A member who retires or elects to participate in the
19 Oklahoma Firefighters Deferred Option Plan on or after July 1, 1998,
20 shall be entitled to prior service credit, not to exceed five (5)
21 years, for those periods of military service on active duty prior to
22 membership in the Oklahoma Firefighters Pension and Retirement
23 System.

1 For purposes of this subsection, "military service" means
2 service in the Armed Forces of the United States by honorably
3 discharged persons during the following time periods, as reflected
4 on such person's Defense Department Form 214, as follows:

5 1. During the following periods, including the beginning and
6 ending dates, and only for the periods served, from:

7 a. April 6, 1917, to November 11, 1918, commonly referred
8 to as World War I,

9 b. September 16, 1940, to December 7, 1941, for members
10 of the 45th Division,

11 c. December 7, 1941, to December 31, 1946, commonly
12 referred to as World War II,

13 d. June 27, 1950, to January 31, 1955, commonly referred
14 to as the Korean Conflict or the Korean War,

15 e. February 28, 1961, to May 7, 1975, commonly referred
16 to as the Vietnam era, except that:

17 (1) for the period from February 28, 1961, to August
18 4, 1964, military service shall only include
19 service in the Republic of Vietnam during that
20 period, and

21 (2) for purposes of determining eligibility for
22 education and training benefits, such period
23 shall end on December 31, 1976, or
24

1 f. August 1, 1990, to December 31, 1991, commonly
2 referred to as the Gulf War, the Persian Gulf War, or
3 Operation Desert Storm, but excluding any person who
4 served on active duty for training only, unless
5 discharged from such active duty for a service-
6 connected disability;

7 2. During a period of war or combat military operation other
8 than a conflict, war or era listed in paragraph 1 of this
9 subsection, beginning on the date of Congressional authorization,
10 Congressional resolution, or Executive Order of the President of the
11 United States, for the use of the Armed Forces of the United States
12 in a war or combat military operation, if such war or combat
13 military operation lasted for a period of ninety (90) days or more,
14 for a person who served, and only for the period served, in the area
15 of responsibility of the war or combat military operation, but
16 excluding a person who served on active duty for training only,
17 unless discharged from such active duty for a service-connected
18 disability, and provided that the burden of proof of military
19 service during this period shall be with the member, who must
20 present appropriate documentation establishing such service.

21 D. An eligible member pursuant to subsection € D of this
22 section shall include only those persons who shall have served
23 during the times or in the areas prescribed in subsection € D of
24 this section, and only if such person provides appropriate

1 documentation in such time and manner as required by the System to
2 establish such military service prescribed in this section, or for
3 service pursuant to division (1) of subparagraph e of paragraph 1 of
4 subsection E D of this section, those persons who were awarded
5 service medals, as authorized by the United States Department of
6 Defense as reflected in the veteran's Defense Department Form 214,
7 related to the Vietnam Conflict for service prior to August 5, 1964.
8 The provisions of subsection E D of this section shall include
9 military retirees, whose retirement was based only on active
10 service, that have been rated as having twenty percent (20%) or
11 greater service-connected disability by the Veterans Administration
12 or the Armed Forces of the United States. The provisions of
13 subsection E D of this section shall not apply to any person who
14 shall have served on active duty for training purposes only unless
15 discharged from active duty for a service-connected disability.

16 E. A member of the System who served in the Armed Forces of the
17 United States, or any component thereof, who was honorably
18 discharged from full-time active military service prior to becoming
19 a member of the System and whose full-time active duty military
20 service does not otherwise meet the qualifications for prior service
21 credit pursuant to subsections B through D of this section may
22 purchase up to five (5) years of full-time active duty military
23 prior service credit at the actuarial cost of service credit as
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1 determined by the Oklahoma Firefighters Pension and Retirement
2 System Board, pursuant to Section 49-117.3 of this title.

3 The service credit provided by this subsection shall be
4 administered pursuant to subsections B through D of this section,
5 including but not limited to, only full-time active duty military
6 service not for training only purposes, unless discharged from
7 active duty for a service-connected disability, as reflected on the
8 members Defense Department Form 214, shall be considered for prior
9 service credit and such prior service credit shall only be used in
10 determining the member's retirement benefit but shall not be used in
11 determining years of service for retirement, vesting purposes or
12 eligibility for participation in the Oklahoma Firefighters Deferred
13 Option Plan.

14 F. Notwithstanding any provision herein to the contrary:

15 1. Contributions, benefits and service credit with respect to
16 qualified military service shall be provided in accordance with
17 Section 414(u) of the Internal Revenue Code of 1986, as amended,
18 which is in accordance with the Uniformed Services Employment and
19 Reemployment Rights Act of 1994, as amended (USERRA); and

20 2. Effective January 1, 2007, if any member dies while
21 performing qualified military service (as defined in Section 414(u)
22 of the Internal Revenue Code of 1986, as amended), the survivors of
23 the member are entitled to any additional benefits (other than
24 benefits accruals relating to the period of qualified military

1 service) provided under the System had the member resumed and then
2 terminated employment on account of death.

3 ~~F.~~ G. Members or beneficiaries shall make application to the
4 System for credited service related to wartime military service.
5 Interest on additional benefits related to wartime military service
6 owed by the System to a retired member or beneficiary as provided by
7 law shall cease accruing one (1) year after the effective date the
8 additional benefits are payable by the System or July 1, 2000,
9 whichever is later, if the member has not applied to the System for
10 credited service related to such wartime military service.

11 SECTION 3. Section 1 of this act shall become effective October
12 1, 2024.

13 SECTION 4. Section 2 of this act shall become effective
14 November 1, 2024.

15 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
16 April 9, 2024 - DO PASS
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