

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

POLICY COMMITTEE  
RECOMMENDATION  
FOR  
HOUSE BILL NO. 1889

By: May

POLICY COMMITTEE RECOMMENDATION

An Act relating to public retirement systems; amending 62 O.S. 2021, Section 3103, as last amended by Section 2, Chapter 361, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying terms; defining terms; directing the Oklahoma Firefighters Pension and Retirement Board to implement a benefit adjustment; directing the Oklahoma Police Pension and Retirement Board to implement a benefit adjustment; providing for codification; providing effective dates; providing for contingent effective dates based on outcome of approval of the emergency clause; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as last amended by Section 2, Chapter 361, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), is amended to read as follows:

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

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

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

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

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

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

- 20           a. which does not affect the cost or funding factors of a  
21           retirement system,  
22           b. which affects such factors only in a manner which does  
23           not:

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

23 j. which authorizes membership in the Oklahoma Law  
 24 Enforcement Retirement System for active commissioned

1 or CLEET-certified agents of the Office of the  
2 Attorney General or the Military Department of the  
3 State of Oklahoma pursuant to Sections ~~3~~ 2-309.9 and ~~4~~  
4 2-309.10 of ~~this act~~ Title 47 of the Oklahoma  
5 statutes, or

6 k. which authorizes the Oklahoma Firefighters Pension and  
7 Retirement Board and the Oklahoma Police Pension and  
8 Retirement Board to implement a benefit adjustment  
9 pursuant to Sections 2 and 3 of this act.

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

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

21 7. "Retirement bill" means any bill or joint resolution  
22 introduced or any bill or joint resolution amended by a member of  
23 the Legislature which creates or amends any law directly affecting a  
24 retirement system. A retirement bill shall not mean a bill or

1 resolution that impacts the revenue of any state tax in which a  
 2 portion of the revenue generated from such tax is earmarked for the  
 3 benefit of a retirement system;

4 8. "Retirement bill having a fiscal impact" means any  
 5 retirement bill creating or establishing a retirement system and any  
 6 other retirement bill other than a nonfiscal retirement bill; and

7 9. "Retirement system" means the Teachers' Retirement System of  
 8 Oklahoma, the Oklahoma Public Employees Retirement System, the  
 9 Uniform Retirement System for Justices and Judges, the Oklahoma  
 10 Firefighters Pension and Retirement System, the Oklahoma Police  
 11 Pension and Retirement System, the Oklahoma Law Enforcement  
 12 Retirement System, or a retirement system established after January  
 13 1, 2006.

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

17 A. For purposes of this section the following definitions shall  
 18 apply:

19 1. "Initial COLA Benefit" means the accrued retirement benefit  
 20 which will be used as the base benefit for determining the Target  
 21 COLA Benefit. The Initial COLA Benefit equals the benefit in  
 22 payment status as of the Initial COLA Benefit Date. Furthermore,  
 23 this benefit will reflect adjustment for military service credits,  
 24 if any, granted after the Initial COLA Benefit Date;

1        2. "Initial COLA Benefit Date" means the latter of the member's  
2 date of benefit commencement or May 27, 1983. This date is used in  
3 the definition of Initial COLA Benefit and Target COLA Benefit;

4        3. "CPI-U" means the Consumer Price Index for all urban  
5 consumers for all goods and services, as published by the Bureau of  
6 Labor Statistics, U.S. Department of Labor. This is used as a  
7 measure of price inflation for the development of the Target COLA  
8 Benefit defined below; and

9        4. "Target COLA Benefit" is the Initial COLA Benefit adjusted  
10 to reflect price inflation as measured by CPI-U. The Target COLA  
11 Benefit is calculated for each eligible member to equal the member's  
12 Initial COLA Benefit multiplied by a ratio of (A) divided by (B) as  
13 follows:

14        (A) is the CPI-U as of July 1, 2026.

15        (B) is the CPI-U as of July 1 of the calendar year of the  
16 Initial COLA Benefit Date; and

17        5. "Tweener" means a member, or his or her beneficiary, who was  
18 not retired and did not have twenty (20) years of credited service  
19 as of May 26, 1983, and who retired before November 1, 1989.

20 Tweeners are not eligible for an increase in benefits pursuant to  
21 repealed Section 49-136 of this title and were not eligible to  
22 participate in the Oklahoma Firefighters Deferred Option Plan  
23 pursuant to Section 49-106.1 of this title.

24

1 B. The Board shall, effective July 1, 2026, implement a benefit  
2 adjustment, to increase, if necessary, the retirement benefit for a  
3 Tweener receiving benefits from the System as of June 30, 2026.  
4 This benefit adjustment is intended to restore one hundred percent  
5 (100%) of the loss of the Initial COLA Benefit, if any, due to price  
6 inflation, as measured by CPI-U. The benefit adjustment shall be  
7 one hundred percent (100%) of the amount by which the Target COLA  
8 Benefit is in excess, if any, of the June 30, 2026, retirement  
9 benefit.

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

13 A. For purposes of this section the following definitions shall  
14 apply:

15 1. "Initial COLA Benefit" means the accrued retirement benefit  
16 which will be used as the base benefit for determining the Target  
17 COLA Benefit. The Initial COLA Benefit equals the benefit in  
18 payment status as of the Initial COLA Benefit Date. Furthermore,  
19 this benefit will reflect adjustment for military service credits,  
20 if any, granted after the Initial COLA Benefit Date;

21 2. "Initial COLA Benefit Date" means the latter of the member's  
22 date of benefit commencement or May 26, 1983. This date is used in  
23 the definition of Initial COLA Benefit and Target COLA Benefit;  
24

1       3. "CPI-U" means the Consumer Price Index for all urban  
2 consumers for all goods and services, as published by the Bureau of  
3 Labor Statistics, U.S. Department of Labor. This is used as a  
4 measure of price inflation for the development of the Target COLA  
5 Benefit defined below; and

6       4. "Target COLA Benefit" is the Initial COLA Benefit adjusted  
7 to reflect price inflation as measured by CPI-U. The Target COLA  
8 Benefit is calculated for each eligible member to equal the member's  
9 Initial COLA Benefit multiplied by a ratio of (A) divided by (B) as  
10 follows:

11       (A) is the CPI-U as of July 1, 2026.

12       (B) is the CPI-U as of July 1 of the calendar year of the  
13 Initial COLA Benefit Date; and

14       5. "Tweener" means a member, or their beneficiary, who was not  
15 retired and did not have twenty (20) years of credited service as of  
16 May 25, 1983, and who retired before June 30, 1990. Tweeners are  
17 not eligible for an increase in benefits pursuant to repealed  
18 Section 50-120 of this title and were not eligible to participate in  
19 the Oklahoma Police Deferred Option Plan pursuant to Section 50-  
20 111.3 of this title.

21       B. The Board shall, effective July 1, 2026, implement a benefit  
22 adjustment, to increase, if necessary, the retirement benefit for a  
23 Tweener receiving benefits from the System as of June 30, 2026.

24 This benefit adjustment is intended to restore one hundred percent

1 (100%) of the loss of the Initial COLA Benefit, if any, due to price  
2 inflation, as measured by CPI-U. The benefit adjustment shall be  
3 one hundred percent (100%) of the amount by which the Target COLA  
4 Benefit is in excess, if any, of the June 30, 2026, retirement  
5 benefit.

6 SECTION 4. If the Emergency Clause is not approved pursuant to  
7 the requirements of the Oklahoma Constitution as part of this  
8 measure, the effective date of Section 1 of this act shall be  
9 October 1, 2026.

10 SECTION 5. If the Emergency Clause is not approved pursuant to  
11 the requirements of the Oklahoma Constitution as part of this  
12 measure, the effective date of Sections 2 and 3 of this act shall be  
13 November 1, 2026.

14 SECTION 6. Except as otherwise provided by Section 4 of this  
15 act, Section 1 of this act shall become effective immediately upon  
16 signature by the Governor or as otherwise provided by Section 58 of  
17 Article V of the Oklahoma Constitution.

18 SECTION 7. Except as otherwise provided by Section 5 of this  
19 act, Sections 2 and 3 of this act shall become effective July 1,  
20 2026.

21 SECTION 8. It being immediately necessary for the preservation  
22 of the public peace, health or safety, an emergency is hereby  
23  
24

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

3

4 60-2-16494 CMA 02/18/26

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24