

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

POLICY COMMITTEE  
RECOMMENDATION

FOR

HOUSE BILL NO. 4263

By: Johns

POLICY COMMITTEE RECOMMENDATION

An Act relating to public retirement systems; amending 62 O.S. 2021, Section 3103, as last amended by Section 127, Chapter 452, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; amending 70 O.S. 2021, Section 17-103, as amended by Section 2, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2025, Section 17-103), which relates to membership; modifying provisions related to certain employees of the Department of Career and Technology Education; 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 last amended by Section 127, Chapter 452, 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. "Amendment" means any amendment including a substitute bill, made to a retirement bill by any committee of the House or Senate,

1 any conference committee of the House or Senate or by the House or  
2 Senate;

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

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

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

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

18 a. which does not affect the cost or funding factors of a  
19 retirement system,

20 b. which affects such factors only in a manner which does  
21 not:

22 (1) grant a benefit increase under the retirement  
23 system affected by the bill,  
24

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

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

1 if such persons had any prior service in the Oklahoma  
2 Public Employees Retirement System prior to November  
3 1, 2015,

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

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

18 (2) the lesser of two percent (2%) of the gross  
19 annual retirement benefit of the member or One  
20 Thousand Two Hundred Dollars (\$1,200.00) and  
21 requires that the benefit may only be provided if  
22 the funded ratio of the affected retirement  
23 system would be greater than eighty percent (80%)  
24

1 but not greater than one hundred percent (100%)  
2 after the benefit increase is paid,

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

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

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

23 g. which modifies the disability pension standard for  
24 police officers who are members of the Oklahoma Police

- 1 Pension and Retirement System as provided by Section  
 2 50-115 of Title 11 of the Oklahoma Statutes,  
 3 h. which provides a cost-of-living benefit increase  
 4 pursuant to the provisions of:
- 5 (1) Section 49-143.7 of Title 11 of the Oklahoma  
 6 Statutes,
  - 7 (2) Section 50-136.9 of Title 11 of the Oklahoma  
 8 Statutes,
  - 9 (3) Section 1104K of Title 20 of the Oklahoma  
 10 Statutes,
  - 11 (4) Section 2-305.12 of Title 47 of the Oklahoma  
 12 Statutes,
  - 13 (5) Section 17-116.22 of Title 70 of the Oklahoma  
 14 Statutes, or
  - 15 (6) Section 930.11 of Title 74 of the Oklahoma  
 16 Statutes,
- 17 i. which provides for the reinstatement of retirement  
 18 benefits for members of the Oklahoma Law Enforcement  
 19 Retirement System pursuant to Section 2-305 of Title  
 20 47 of the Oklahoma Statutes for those who were hired  
 21 on or after November 1, 2012, or May 24, 2013,
- 22 j. which authorizes the purchase of military service  
 23 credit as provided in Section 50-128 of Title 11,  
 24 Section 1102.2 of Title 20, Section 2-307.4 of Title

1 47, and Section 913.8 of Title 74 of the Oklahoma  
2 Statutes,

3 k. which restores benefits pursuant to Sections 49-100.1,  
4 49-101, 49-101.2, 49-106.1, 49-108, 49-117.1, and 49-  
5 135 of Title 11 of the Oklahoma Statutes,

6 l. which modifies the computation of the line-of-duty  
7 disability benefit pursuant to the provisions of this  
8 act, and

9 m. which authorizes an election for certain retired  
10 members of the Teachers' Retirement System of Oklahoma  
11 pursuant to the provisions of Section 2 of this act.

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

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

23 7. "Retirement bill" means any bill or joint resolution  
24 introduced or any bill or joint resolution amended by a member of

1 the Oklahoma Legislature which creates or amends any law directly  
2 affecting a retirement system. A retirement bill shall not mean a  
3 bill or resolution that impacts the revenue of any state tax in  
4 which a portion of the revenue generated from such tax is earmarked  
5 for the benefit of a retirement system;

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

9 9. "Retirement system" means the Teachers' Retirement System of  
10 Oklahoma, the Oklahoma Public Employees Retirement System, the  
11 Uniform Retirement System for Justices and Judges, the Oklahoma  
12 Firefighters Pension and Retirement System, the Oklahoma Police  
13 Pension and Retirement System, the Oklahoma Law Enforcement  
14 Retirement System, or a retirement system established after January  
15 1, 2006.

16 SECTION 2. AMENDATORY 70 O.S. 2021, Section 17-103, as  
17 amended by Section 2, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2025,  
18 Section 17-103), is amended to read as follows:

19 Section 17-103. Except as provided in the Alternate Retirement  
20 Plan for Comprehensive Universities Act, the membership of the  
21 retirement system shall consist of the following:

22 A. All classified personnel shall become members of the  
23 retirement system as a condition of their employment.

24

1 B. For the period from August 2, 1969, to June 30, 2021, all  
2 full-time nonclassified optional personnel regularly employed for  
3 more than one (1) year may join the Teachers' Retirement System of  
4 Oklahoma subject to the rules and regulations adopted pursuant to  
5 the Teachers' Retirement System of Oklahoma. On or after July 1,  
6 2021, all nonclassified optional personnel regularly employed for  
7 twenty (20) hours or more per week may join the System upon hiring  
8 or eligibility, subject to the provisions of subsection C of this  
9 section and the rules and regulations adopted by the System pursuant  
10 to Section 17-101 et seq. of this title.

11 C. 1. Nonclassified optional personnel shall have thirty (30)  
12 days from the initial date of hire or eligibility to make a one-time  
13 irrevocable election to opt out of participation in the System, in a  
14 manner required by the Board of Trustees. If an eligible employee  
15 fails to make an election within the thirty-day period, the eligible  
16 employee shall be deemed to participate in the System.

17 2. If an eligible employee elects to opt out of participation  
18 in the System, the employee shall not make any required employee  
19 contributions to the System and the employee's employer shall not  
20 make any required employer contributions to the System.

21 3. If an eligible nonclassified optional employee does not  
22 timely opt out of participation in the System, such an employee  
23 shall make employee contributions to the System pursuant to Section  
24 17-116.2 of this title and the employer shall make employer

1 contributions to the System pursuant to Section 17-108.1 of this  
2 title. Nothing in this subsection shall be construed to prohibit  
3 the employer from making the contribution of the employee to the  
4 System on behalf of the employee.

5 4. Nonclassified optional personnel who opt out of  
6 participation in the System shall be ineligible for future  
7 participation in the System; provided, however, that if such an  
8 employee is hired for a classified position, he or she shall become  
9 a member of the System pursuant to subsection A of this section but  
10 shall not be eligible for prior service credit for service performed  
11 while employed in a nonclassified position during which the employee  
12 opted out of participation in the System.

13 D. The Board of Trustees may, in its discretion, deny the right  
14 to become members to any class of members whose compensation is only  
15 partly paid by the state, or who is serving on a temporary or other  
16 than per annum basis, and it also may, in its discretion, make the  
17 individual entrance into the retirement system for members in any  
18 such class optional.

19 E. Should any non-vested member, in any period of six (6)  
20 consecutive years after becoming a member, be absent from service  
21 more than five (5) years, withdraw his or her contributions, retire  
22 or die, he or she shall thereupon cease to be a member. The  
23 provisions of this subsection shall not apply to any member of the  
24 Teachers' Retirement System of Oklahoma who has been a member of

1 such classes of military services as may be approved by the Board of  
2 Trustees, until a period of one and one-half (1 1/2) years from date  
3 of termination of such service shall have elapsed.

4 F. Effective November 1, ~~2019~~ 2026, a retired member of the  
5 Teachers' Retirement System of Oklahoma who becomes employed by the  
6 State Department of Education or by the Oklahoma Department of  
7 Career and Technology Education, for the first time on or after  
8 November 1, ~~2019~~ 2026, shall ~~have the option to remain a member of~~  
9 ~~the Teachers' Retirement System of Oklahoma subject to any~~  
10 ~~applicable limitations placed on retired members returning to work~~  
11 ~~or may choose to~~ participate as an active member in the Oklahoma  
12 Public Employees Retirement System defined benefit plan or the  
13 Oklahoma Public Employees Retirement System defined contribution  
14 system, whichever is applicable under the laws and rules governing  
15 those systems.

16 SECTION 3. Section 1 of this act shall become effective October  
17 1, 2026.

18 SECTION 4. Section 2 of this act shall become effective  
19 November 1, 2026.

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