

SENATE FLOOR VERSION
February 17, 2026
AS AMENDED

SENATE BILL NO. 1870

By: Murdock

[Oklahoma Public Employees Retirement System -
agreement - codification - effective dates -
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 1, Chapter 357, 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, any conference committee of the House or Senate, or by the
House or Senate;

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

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

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

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

11 a. which does not affect the cost or funding factors of a
12 retirement system,

13 b. which affects such factors only in a manner which does
14 not:

15 (1) grant a benefit increase under the retirement
16 system affected by the bill,

17 (2) create an actuarial accrued liability for or
18 increase the actuarial accrued liability of the
19 retirement system affected by the bill, or

20 (3) increase the normal cost of the retirement system
21 affected by the bill,

22 c. which authorizes the purchase by an active member of
23 the retirement system, at the actuarial cost for the
24 purchase as computed pursuant to the statute in effect

1 on the effective date of the measure allowing such
2 purchase, of years of service for purposes of reaching
3 a normal retirement date in the applicable retirement
4 system, but which cannot be used in order to compute
5 the number of years of service for purposes of
6 computing the retirement benefit for the member,

7 d. which provides for the computation of a service-
8 connected disability retirement benefit for members of
9 the Oklahoma Law Enforcement Retirement System
10 pursuant to Section 2-305 of Title 47 of the Oklahoma
11 Statutes if the members were unable to complete twenty
12 (20) years of service as a result of the disability,

13 e. which requires membership in the defined benefit plan
14 authorized by Section 901 et seq. of Title 74 of the
15 Oklahoma Statutes for persons whose first elected or
16 appointed service occurs on or after November 1, 2018,
17 if such persons had any prior service in the Oklahoma
18 Public Employees Retirement System prior to November
19 1, 2015,

20 f. which provides for a one-time increase in retirement
21 benefits if the increase in retirement benefits is not
22 a permanent increase in the gross annual retirement
23 benefit payable to a member or beneficiary, occurs
24

1 only once pursuant to a single statutory
2 authorization, and does not exceed:

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

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

19 (3) the lesser of two percent (2%) of the gross
20 annual retirement benefit of the member or One
21 Thousand Four Hundred Dollars (\$1,400.00) and
22 requires that the benefit may only be provided if
23 the funded ratio of the affected retirement
24

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

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

16 g. which modifies the disability pension standard for
17 police officers who are members of the Oklahoma Police
18 Pension and Retirement System as provided by Section
19 50-115 of Title 11 of the Oklahoma Statutes,

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

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

24

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

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

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

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

9 (6) Section 930.11 of Title 74 of the Oklahoma
10 Statutes,

11 i. which modifies the computation of the line-of-duty
12 disability benefit pursuant to Sections 50-101 and 50-
13 115 of Title 11 of the Oklahoma Statutes,

14 j. which allows the purchase of military prior service
15 credit pursuant to the provisions of this ~~act~~ section
16 and Section 49-138 of Title 11 of the Oklahoma
17 Statutes,

18 k. which increases the computation factor used to
19 calculate the accrued retirement benefit and normal
20 disability benefit pursuant to Section 50-101 of Title
21 11 of the Oklahoma Statutes,

22 l. which increases the municipal contribution, employee
23 contribution, or both for members of the Oklahoma
24 Police Pension and Retirement System pursuant to

1 Sections 50-109 and 50-110 of Title 11 of the Oklahoma
2 Statutes, ~~or~~

3 m. which modifies the computation of a retirement annuity
4 pursuant to Section 50-111.1 of Title 11 of the
5 Oklahoma Statutes, or

6 n. which allows a municipality currently participating in
7 the Oklahoma Public Employees Retirement System to
8 enter into a trust agreement, as provided for in
9 Section 2 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 910.6 of Title 74, unless there
16 is created a duplication in numbering, reads as follows:

17 On or before December 31, 2026, participating employers of the
18 Oklahoma Public Employees Retirement System that are municipalities
19 with a population of two thousand (2,000) people or fewer, according
20 to the latest Federal Decennial Census, or instrumentalities of such
21 municipalities, may choose to enter into a trust agreement, as
22 provided for in the Interlocal Cooperation Act, to provide
23 retirement benefits for employees, as defined in Section 902 of
24

1 Title 74 of the Oklahoma Statutes, who commence employment on or
2 after the effective date of such trust agreement.

3 SECTION 3. Section 1 of this act shall become effective June 1,
4 2026.

5 SECTION 4. Section 2 of this act shall become effective July 1,
6 2026.

7 SECTION 5. It being immediately necessary for the preservation
8 of the public peace, health or safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

11 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT
12 RESOURCES
13 February 17, 2026 - DO PASS AS AMENDED

14

15

16

17

18

19

20

21

22

23

24