

## 1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3225

By: Humphrey

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## 5

6 AS INTRODUCED

7 An Act relating to public retirement systems;  
8 amending 62 O.S. 2021, Section 3103, as last amended  
9 by Section 127 Chapter 452, O.S.L. 2024 (62 O.S.  
10 Supp. 2025, Section 3103), which relates to the  
11 Oklahoma Pension Legislation Actuarial Analysis Act;  
12 modifying definitions; imposing conditions related to  
13 approvals by the Internal Revenue Service; providing  
14 for termination of provisions of the Retirement  
15 Freedom Act; providing for cessation of certain  
16 employee contributions; requiring employee  
17 contributions pursuant to provisions of defined  
18 benefit plan; providing for cessation of certain  
19 employer contributions; requiring employer  
20 contributions pursuant to provisions of defined  
21 benefit plan; authorizing management of defined  
22 contribution plan accounts for certain period of  
23 time; requiring irrevocable election with regard to  
24 defined contribution plan account balances; providing  
for termination of effect of provisions of the  
Retirement Freedom Act; providing exceptions;  
providing for vesting treatment of defined  
contribution plan account balances as of designated  
date; providing for computation of service credit in  
defined benefit plan based on purchase of service at  
actuarial cost; amending 74 O.S. 2021, Sections 902,  
as last amended by Section 1, Chapter 280, O.S.L.  
2024, 913.4, 920, and 1707(74 O.S. Supp. 2025,  
Section 902), which relates to the Oklahoma Public  
Employees Retirement System and the Deferred Savings  
Incentive Plan; modifying provisions related to  
participation in defined contribution plan; providing  
for participating service credit resulting from  
purchase at actuarial cost; modifying provisions  
related to membership of elected officials in defined  
contribution plan; modifying provisions related to

1 payment of employer contributions; modifying  
2 provisions related to participation in deferred  
3 compensation plan; providing for codification; and  
4 providing effective dates.

5

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

7 SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as  
8 last amended by Section 127, Chapter 452, O.S.L. 2024 (62 O.S. Supp.  
9 2025, Section 3103), is amended to read as follows:

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

12 1. "Amendment" means any amendment including a substitute bill,  
13 made to a retirement bill by any committee of the House or Senate,  
14 any conference committee of the House or Senate or by the House or  
15 Senate;

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

21 3. "Legislative Actuary" means the firm or entity that enters  
22 into a contract with the Legislative Service Bureau pursuant to  
23 Section 452.15 of Title 74 of the Oklahoma Statutes to provide the

1 actuarial services and other duties provided for in the Oklahoma  
2 Pension Legislation Actuarial Analysis Act;

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

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

8           a. which does not affect the cost or funding factors of a  
9               retirement system,

10          b. which affects such factors only in a manner which does  
11           not:

12              (1) grant a benefit increase under the retirement  
13               system affected by the bill,

14              (2) create an actuarial accrued liability for or  
15               increase the actuarial accrued liability of the  
16               retirement system affected by the bill, or

17              (3) increase the normal cost of the retirement system  
18               affected by the bill,

19          c. which authorizes the purchase by an active member of  
20               the retirement system, at the actuarial cost for the  
21               purchase as computed pursuant to the statute in effect  
22               on the effective date of the measure allowing such  
23               purchase, of years of service for purposes of reaching  
24               a normal retirement date in the applicable retirement

1 system, but which cannot be used in order to compute  
2 the number of years of service for purposes of  
3 computing the retirement benefit for the member,  
4 d. which provides for the computation of a service-  
5 connected disability retirement benefit for members of  
6 the Oklahoma Law Enforcement Retirement System  
7 pursuant to Section 2-305 of Title 47 of the Oklahoma  
8 Statutes if the members were unable to complete twenty  
9 (20) years of service as a result of the disability,  
10 e. which requires membership in the defined benefit plan  
11 authorized by Section 901 et seq. of Title 74 of the  
12 Oklahoma Statutes for persons whose first elected or  
13 appointed service occurs on or after November 1, 2018,  
14 if such persons had any prior service in the Oklahoma  
15 Public Employees Retirement System prior to November  
16 1, 2015,  
17 f. which provides for a one-time increase in retirement  
18 benefits if the increase in retirement benefits is not  
19 a permanent increase in the gross annual retirement  
20 benefit payable to a member or beneficiary, occurs  
21 only once pursuant to a single statutory authorization  
22 and does not exceed:  
23 (1) the lesser of two percent (2%) of the gross  
24 annual retirement benefit of the member or One

Thousand Dollars (\$1,000.00) and requires that the benefit may only be provided if the funded ratio of the affected retirement system would not be less than sixty percent (60%) but not greater than eighty percent (80%) after the benefit increase is paid,

- (2) the lesser of two percent (2%) of the gross annual retirement benefit of the member or One Thousand Two Hundred Dollars (\$1,200.00) and requires that the benefit may only be provided if the funded ratio of the affected retirement system would be greater than eighty percent (80%) but not greater than one hundred percent (100%) after the benefit increase is paid,
- (3) the lesser of two percent (2%) of the gross annual retirement benefit of the member or One Thousand Four Hundred Dollars (\$1,400.00) and requires that the benefit may only be provided if the funded ratio of the affected retirement system would be greater than one hundred percent (100%) after the benefit increase is paid, or
- (4) the greater of two percent (2%) of the gross annual retirement benefit of the volunteer firefighter or One Hundred Dollars (\$100.00) for

1                   persons who retired from the Oklahoma  
2                   Firefighters Pension and Retirement System as  
3                   volunteer firefighters and who did not retire  
4                   from the Oklahoma Firefighters Pension and  
5                   Retirement System as a paid firefighter.

6                   As used in this subparagraph, "funded ratio" means the  
7                   figure derived by dividing the actuarial value of  
8                   assets of the applicable retirement system by the  
9                   actuarial accrued liability of the applicable  
10                  retirement system,

11                  g. which modifies the disability pension standard for  
12                  police officers who are members of the Oklahoma Police  
13                  Pension and Retirement System as provided by Section  
14                  50-115 of Title 11 of the Oklahoma Statutes,

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

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

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

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

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

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

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

i. which provides for the reinstatement of retirement benefits for members of the Oklahoma Law Enforcement Retirement System pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes for those who were hired on or after November 1, 2012, or May 24, 2013,

j. which authorizes the purchase of military service credit as provided in Section 50-128 of Title 11, Section 1102.2 of Title 20, Section 2-307.4 of Title 47, and Section 913.8 of Title 74 of the Oklahoma Statutes,

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

l. which modifies the computation of the line-of-duty disability benefit pursuant to the provisions of this act, or

m. which provides for the termination of the defined contribution retirement plan created pursuant to Section 935.1 et seq. of Title 74 of the Oklahoma Statutes pursuant to the provisions of this act

1                   together with provisions for conversion of defined  
2                   contribution plan account balances into participating  
3                   service in the Oklahoma Public Employees System  
4                   defined benefit plan created pursuant to Section 901  
5                   et seq. of Title 74 of the Oklahoma Statutes or such  
6                   other disposition of defined contribution plan account  
7                   balances as may be authorized pursuant to the  
8                   provisions of this act.

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

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

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

1 which a portion of the revenue generated from such tax is earmarked  
2 for the benefit of a retirement system;

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

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

13           SECTION 2.        NEW LAW        A new section of law to be codified  
14 in the Oklahoma Statutes as Section 935.101 of Title 74, unless  
15 there is created a duplication in numbering, reads as follows:

16           The provisions of this act shall be contingent upon final  
17 approval by the Internal Revenue Service with respect to the  
18 distribution of monies from member accounts in the defined  
19 contribution plan established pursuant to Section 935.1 et seq. of  
20 Title 74 of the Oklahoma Statutes. The Oklahoma Public Employees  
21 Retirement System shall make such applications to the Internal  
22 Revenue Service as may be required in order to implement the  
23 provisions of this act.

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1 SECTION 3. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 935.102 of Title 74, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. Except as may be required by the provisions of this act, the  
5 provisions of Section 935.1 et seq. of Title 74 of the Oklahoma  
6 Statutes shall cease to have the force and effect of law on November  
7 1, 2026.

8 B. Effective November 1, 2026, each member maintaining an  
9 account established pursuant to the provisions of Section 935.1 et  
10 seq. of Title 74 of the Oklahoma Statutes shall cease making  
11 employee contributions to their account and shall begin  
12 participating service in the defined benefit plan created pursuant  
13 to the provisions of Section 902 et seq. of Title 74 of the Oklahoma  
14 Statutes. Effective November 1, 2026, each member who maintains an  
15 account established pursuant to the provisions of Section 935.1 et  
16 seq. of Title 74 of the Oklahoma Statutes shall make employee  
17 contributions to the defined benefit plan as required by Section  
18 919.1 of Title 74 of the Oklahoma Statutes.

19 C. Employer contributions and matching amounts otherwise  
20 required by the provisions of Section 935.5 of Title 74 of the  
21 Oklahoma Statutes shall cease and employer contributions with  
22 respect to employee compensation shall be made as provided by  
23 Section 920 or 920A of Title 74 of the Oklahoma Statutes.

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1       D. Employees maintaining a plan account established pursuant to  
2 the provisions of Section 935.1 et seq. of Title 74 of the Oklahoma  
3 Statutes may continue to actively manage the plan account, including  
4 any gains or losses resulting from such active management, until  
5 final disposition of the plan account balance by acquisition of  
6 service credit in the defined benefit plan created pursuant to the  
7 provisions of Section 901 et seq. of Title 74 of the Oklahoma  
8 Statutes, a transfer of the account balance to a tax-qualified  
9 retirement plan or such other disposition as may be authorized  
10 pursuant to the Internal Revenue Code of 1986, as amended, and rules  
11 and regulations promulgated pursuant thereto.

12       E. Each person maintaining a plan account pursuant to the  
13 provisions of Section 935.1 et seq. of Title 74 of the Oklahoma  
14 Statutes shall make an election, which shall be irrevocable, within  
15 one hundred twenty (120) days from the effective date of this act to  
16 transfer the account balance to acquire participating service credit  
17 in the defined benefit plan created pursuant to the provisions of  
18 Section 901 et seq. of Title 74 of the Oklahoma Statutes using the  
19 actuarial cost provisions of Section 913.5 of Title 74 of the  
20 Oklahoma Statutes, to transfer the balance to a tax-qualified plan  
21 or such other disposition as may be allowed pursuant to the Internal  
22 Revenue Code of 1986, as amended, or any rules or regulations  
23 promulgated pursuant thereto.

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1 SECTION 4. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 935.103 of Title 74, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. Subject to the conditions imposed pursuant to this act, the  
5 provisions of the Retirement Freedom Act, Section 935.1 et seq. of  
6 Title 74 of the Oklahoma Statutes, shall cease to have the force and  
7 effect of law upon November 1, 2026, or the last date required for  
8 distribution of the plan account balances to acquire service credit  
9 in the defined benefit plan created and maintained by the Oklahoma  
10 Public Employees Retirement System pursuant to Section 901 et seq.  
11 of Title 74 of the Oklahoma Statutes, transfer of the account  
12 balances to a tax-qualified retirement plan as defined by the  
13 Internal Revenue Code of 1986, as amended, or such other disposition  
14 as may be required in order to terminate the defined contribution  
15 plan and make final disposition of account balances created and  
16 maintained pursuant to the provisions of Section 935.1 et seq. of  
17 Title 74 of the Oklahoma Statutes, whichever date last occurs.

18 B. Effective November 1, 2026, notwithstanding the provisions  
19 of Section 935.7 of Title 74 of the Oklahoma Statutes, a member  
20 maintaining a defined contribution plan account pursuant to the  
21 provisions of the Retirement Freedom Act shall be one hundred  
22 percent (100%) vested in their account balance as of that date,  
23 including employer matching amounts and any gains resulting from

24

1 management of the account pursuant to the provisions of the  
2 Retirement Freedom Act.

3 SECTION 5. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 935.104 of Title 74, unless  
5 there is created a duplication in numbering, reads as follows:

6 Any service credit in the Oklahoma Public Employees Retirement  
7 System as provided by Section 901 et seq. of Title 74 of the  
8 Oklahoma Statutes acquired by transfer of an account balance  
9 pursuant to the provisions of this act shall not exceed the total  
10 period of participating service accrued by the member while a  
11 participant in the defined contribution plan created by Section  
12 935.1 et seq. of Title 74 of the Oklahoma Statutes.

13 SECTION 6. AMENDATORY 74 O.S. 2021, Section 902, as last  
14 amended by Section 1, Chapter 280, O.S.L. 2024 (74 O.S. Supp. 2025,  
15 Section 902), is amended to read as follows:

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

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

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

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

24

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

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

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

8       (7) "Beneficiary" means any person named by a member to receive  
9 any benefits as provided for by Section 901 et seq. of this title.

10      If there is no beneficiary living at time of member employee's  
11 death, the member's estate shall be the beneficiary;

12       (8) "Board" means the Oklahoma Public Employees Retirement  
13 System Board of Trustees;

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

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

1 For compensation for service on or after January 1,  
2 1988, through June 30, 1994, the maximum compensation  
3 level shall be Forty Thousand Dollars (\$40,000.00) per  
4 annum.

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

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

nonelective salary reduction under Section 414(h) of the Internal Revenue Code of 1986.

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

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

1       (10) "Credited service" means the sum of participating service,  
2 prior service and elected service;

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

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

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

20           (a) If a class or several classes of employees of any  
21               above-defined employers are covered by Social Security  
22               and are not covered by or eligible for and will not  
23               become eligible for another retirement plan authorized  
24               under the laws of this state, which is in operation on

the effective date, such employer shall be deemed an eligible employer, but only with respect to that class or those classes of employees as defined in this section.

(b) A class or several classes of employees who are covered by Social Security and are not covered by or eligible for and will not become eligible for another retirement plan authorized under the laws of this state, which is in operation on the effective date, and when the qualifications for employment in such class or classes are set by state law; and when such class or classes of employees are employed by a county or municipal government pursuant to such qualifications; and when the services provided by such employees are of such nature that they qualify for matching by or contributions from state or federal funds administered by an agency of state government which qualifies as a participating employer, then the agency of state government administering the state or federal funds shall be deemed an eligible employer, but only with respect to that class or those classes of employees as defined in this subsection; provided, that the required contributions to the retirement plan may be withheld from the contributions of state or

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

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

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

1           purposes of the Oklahoma Public Employees Retirement  
2           System. CompSource Mutual Insurance Company shall be  
3           considered a participating employer only for such  
4           employees.

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

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

21           (14) "Employee" means any officer or employee of a

22           participating employer, whose employment is not seasonal or  
23           temporary and whose employment requires at least one thousand

24           (1,000) hours of work per year and whose salary or wage is equal to

1 the hourly rate of the monthly minimum wage for state employees.  
2 For those eligible employers outlined in Section 910 of this title,  
3 the rate shall be equal to the hourly rate of the monthly minimum  
4 wage for that employer. Each employer, whose minimum wage is less  
5 than the state's minimum wage, shall inform the System of the  
6 minimum wage for that employer. This notification shall be by  
7 resolution of the governing body.

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

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

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

service as defined in this section. The provisions outlined in Section 917 of this title shall apply to those employees who have previously withdrawn their contributions.

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

(e) Any employee employed by the Legislative Service Bureau, Senate or House of Representatives for the full duration of a regular legislative session shall be eligible for membership in the System regardless of classification as a temporary employee and may participate in the System during the regular legislative session at the option of the employee.

1 For purposes of this subparagraph, the determination  
2 of whether an employee is employed for the full  
3 duration of a regular legislative session shall be  
4 made by the Legislative Service Bureau if such  
5 employee is employed by the Legislative Service  
6 Bureau, the Senate if such employee is employed by the  
7 Senate, or by the House of Representatives if such  
8 employee is employed by the House of Representatives.

9 Each regular legislative session during which the  
10 legislative employee or an employee of the Legislative  
11 Service Bureau participates full time shall be counted  
12 as six (6) months of full-time participating service.

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

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

1 to participate as a member of the System prior to  
2 September 1, 1989.

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

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

b. the member makes payment to the System of the actuarial cost of the service credit pursuant to subsection A of Section 913.5 of this title. The provisions of Section 913.5 of this title shall be applicable to the purchase of the service credit, including the provisions for determining service credit in the event of incomplete payment due to cessation of payments, death, termination of employment or retirement, but the payment may extend for a period not to exceed ninety-six (96) months;

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

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

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

22 (18) "Final average compensation" means the average annual  
23 compensation, including amounts deferred under deferred compensation  
24 agreements entered into between a member and a participating

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

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

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

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

24

1           (22) "Member" means an eligible employee or elected official  
2        who is in the System and is making the required employee or elected  
3        official contributions, or any former employee or elected official  
4        who shall have made the required contributions to the System and  
5        shall have not received a refund or withdrawal;

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

11           (a) during the following periods, including the beginning  
12           and ending dates, and only for the periods served,  
13           from:

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

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

18           (iii) December 7, 1941, to December 31, 1946, commonly  
19           referred to as World War II,

20           (iv) June 27, 1950, to January 31, 1955, commonly  
21           referred to as the Korean Conflict or the Korean  
22           War,

23           (v) February 28, 1961, to May 7, 1975, commonly  
24           referred to as the Vietnam era, except that:

- a. for the period from February 28, 1961, to August 4, 1964, military service shall only include service in the Republic of Vietnam during that period, and
- b. for purposes of determining eligibility for education and training benefits, such period shall end on December 31, 1976, or

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

(b) during a period of war or combat military operation other than a conflict, war or era listed in subparagraph (a) of this paragraph, beginning on the date of Congressional authorization, Congressional resolution, or Executive Order of the President of the United States, for the use of the Armed Forces of the United States in a war or combat military operation, if such war or combat military operation lasted for a period of ninety (90) days or more, for a person who served, and only for the period served, in the area of responsibility of the war or combat military

1                   operation, but excluding a person who served on active  
2                   duty for training only, unless discharged from such  
3                   active duty for a service-connected disability, and  
4                   provided that the burden of proof of military service  
5                   during this period shall be with the member, who must  
6                   present appropriate documentation establishing such  
7                   service.

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

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

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

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

(b) for any person who initially became a member prior to July 1, 1992, and who does not reach a normal retirement date pursuant to division (1) of subparagraph (a) of this paragraph, the first day of the month coinciding with or following the date at which the sum of a member's age and number of years of credited service total eighty (80); such a normal retirement date will also apply to any person who became a member of the sending system as defined in Section 901 et seq. of this title, prior to July 1, 1992, regardless of whether there were breaks in service after July 1, 1992,

- (c) for any person who became a member after June 30, 1992, but prior to November 1, 2011, and who does not reach a normal retirement date pursuant to division (1) of subparagraph (a) of this paragraph, the first day of the month coinciding with or following the date at which the sum of a member's age and number of years of credited service total ninety (90),
- (d) in addition to subparagraphs (a), (b) and (c) of this paragraph, the first day of the month coinciding with or following a member's completion of at least twenty (20) years of full-time-equivalent employment as:
  - (i) a correctional or probation and parole officer with the Department of Corrections and at the time of retirement, the member was a correctional or probation and parole officer with the Department of Corrections,
  - (ii) a correctional officer, probation and parole officer or fugitive apprehension agent with the Department of Corrections who is in such position on June 30, 2004, or who is hired after June 30, 2004, and who receives a promotion or change in job classification after June 30, 2004, to another position in the Department of Corrections, so long as such officer or agent has

at least five (5) years of service as a correctional officer, probation and parole officer or fugitive apprehension agent with the Department, has twenty (20) years of full-time-equivalent employment with the Department and was employed by the Department at the time of retirement,

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

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

(v) a deputy sheriff or jailer employed by any county that is a participating employer in the System

for the first time as a deputy sheriff or jailer on or after November 1, 2020, or

(vi) beginning November 1, 2024, a deputy sheriff or

jailer employed by any county that is a

participating employer in the System for the

first time as a deputy sheriff or jailer before

November 1, 2020, including those who make the

election authorized by division (2) of

subparagraph b of paragraph (10) of subsection A

of Section 915 of this title, and at the time of

retirement, if the member was a deputy sheriff or

jailer employed by the participating county, and

such member has at least twenty (20) years of

credited service upon which the two and one-h

percent (2 1/2%) multiplier will be used in

calculating the retirement benefit,

those fugitive apprehension agents who

(e) for those fugitive apprehension agents who retire on

or after July 1, 2002, the first day of the month

coinciding with or following a member's completion of

at least twenty (20) years of full-time-equivalent

employment as a fugitive apprehension agent with the

Department of Corrections and at the time of

retirement, the member was a fugitive apprehension agent with the Department of Corrections, or

(f) for any member who was continuously employed by an entity or institution within The Oklahoma State System of Higher Education and whose initial employment with such entity or institution was prior to July 1, 1992, and who without a break in service of more than thirty (30) days became employed by an employer participating in the Oklahoma Public Employees Retirement System, the first day of the month coinciding with or following the date at which the sum of the member's age and number of years of credited service total eighty (80);

14 (25) "Participating employer" means an eligible employer who  
15 has agreed to make contributions to the System on behalf of its  
16 employees;

17       (26) "Participating service" means the period of employment  
18 after the entry date for which credit is granted a member and for  
19 purposes of this act shall include any period of service purchased  
20 at actuarial cost according to the requirements of Section 913.5 of  
21 this title as a result of an election made by a person having a  
22 defined contribution plan account created pursuant to the provisions  
23 of Section 935.1 et seq. of this title as provided by Section 3 of  
24 this act. Provided, on or after the effective date of this act,

1 military service credit purchased under Section 913.8 of this title  
2 shall only be considered "participating service" if such service is  
3 immediately preceded by a period of employment with a participating  
4 employer and followed by a return to service as an employee with the  
5 same or another participating employer within ninety (90) days  
6 immediately following discharge from such military service;

7 (27) "Prior service" means the period of employment of a member  
8 by an eligible employer prior to the member's entry date for which  
9 credit is granted a member under Section 901 et seq. of this title.  
10 Provided, on or after the effective date of this act, "prior  
11 service" shall also include service purchased under Section 913.8 of  
12 this title which does not meet the requirements of paragraph 26 of  
13 this section;

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

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

23  
24

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

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

6       (32) "Total disability" means a physical or mental disability  
7 accepted for disability benefits by the federal Social Security  
8 System;

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

13       (34) "Elected official" means a person elected to a state  
14 office in the legislative or executive branch of state government or  
15 a person elected to a county office for a definite number of years  
16 and shall include an individual who is appointed to fill the  
17 unexpired term of an elected state official;

18       (35) "Elected service" means the period of service as an  
19 elected official;

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

23       (37) "Public safety officers of the Grand River Dam Authority"  
24 means those persons hired by the Grand River Dam Authority on or

1 after March 21, 2001, who are certified by the Council on Law  
2 Enforcement Education and Training or an equivalent certifying  
3 entity for law enforcement personnel training and who perform law  
4 enforcement functions as part of their regularly assigned duties and  
5 responsibilities on a full-time basis. With respect to any public  
6 safety officer hired by the Grand River Dam Authority on or after  
7 March 21, 2001, any earned benefits or credits toward retirement  
8 benefits from previous participation within the Oklahoma Public  
9 Employees Retirement System or the Oklahoma Law Enforcement  
10 Retirement System shall remain within that system.

11 SECTION 7. AMENDATORY 74 O.S. 2021, Section 913.4, is  
12 amended to read as follows:

13 Section 913.4. A. 1. Except as otherwise provided in this  
14 subsection, an elected official may elect to participate in the  
15 System and if he or she elects to do so shall have the option of  
16 participating at any one of the computation factors set forth in  
17 paragraph 3 or 4 of this subsection and will receive retirement  
18 benefits in accordance with the computation factor chosen. The  
19 election on participation in the System must be in writing, must  
20 specify the computation factor chosen, and must be filed with the  
21 System within ninety (90) days after the elected official takes  
22 office. The election to participate and the election of a  
23 computation factor shall be irrevocable. Reelection to the same  
24 office will not permit new elections. Failure of an elected

1 official to file such election form within the ninety-day period  
2 shall be deemed an irrevocable election to participate in the System  
3 at the maximum computation factor.

4       2. Contributions and benefits will be based upon the elected  
5 official's annual compensation as defined in Section 902 of this  
6 title. Employer and elected official contributions shall be  
7 remitted at least monthly, or as the Board may otherwise provide, to  
8 the System for deposit in the Oklahoma Public Employees Retirement  
9 Fund. Effective July 1, 1994, and thereafter, the participating  
10 employer shall contribute as provided in Section 920 of this title.

11       3. Except as provided in paragraph 4 of this subsection,  
12 effective July 1, 1994, the computation factor selected and the  
13 corresponding elected official contribution rate shall be as  
14 follows:

	Elected official Contribution Rate	Computation Factor	Alternate Formula
17	4.5%	1.9%	\$12.50
18	6%	2.5%	\$20.00
19	7.5%	3.0%	\$25.00
20	8.5%	3.4%	\$27.50
21	9%	3.6%	\$30.00
22	10%	4.0%	\$40.00

23       4. Elected officials who are first elected or appointed to an  
24 elected office on or after November 1, 2010, shall elect a

1 computation factor of either 1.9% or 4%. The elected official  
2 contribution rate for the 1.9% computation factor is currently 4.5%  
3 and the contribution rate for the 4% computation factor is currently  
4 10%. All other computation factors and contribution rates set forth  
5 in paragraph 3 of this subsection shall not be available to any  
6 person first elected or appointed to an elected office on or after  
7 November 1, 2010.

8 5. The contribution rate for elected officials who are first  
9 elected or appointed to an elected office on or after November 1,  
10 2011, shall be in the amount specified in paragraph (a) of  
11 subsection (1) of Section 919.1 of this title. The amount of the  
12 retirement benefit for elected officials who are first elected or  
13 appointed to an elected office on or after November 1, 2011, shall  
14 be based on the provisions of paragraph (1) of subsection A of  
15 Section 915 of this title.

16 6. The computation factors and corresponding elected official  
17 contribution rates provided for in paragraphs 3 and 4 of this  
18 subsection shall be based on the entire compensation as an elected  
19 official subject to the definition and maximum compensation levels  
20 as set forth in paragraph (9) of Section 902 of this title.

21 7. Elected officials who are first elected or appointed on or  
22 after November 1, 2011, shall also be eligible to make the election  
23 of an alternate multiplier and contribution rate pursuant to  
24 paragraph 2 of subsection A of Section 915 of this title.

1       8. A statewide elected official or legislator whose first  
2 service as an elected official occurs on or after November 1, 2015,  
3 shall become a participant in the defined contribution system  
4 created by Sections 935.1 through 935.11 of this title and such  
5 elected official shall not accrue any service credit in the defined  
6 benefit plan of the Oklahoma Public Employees Retirement System  
7 created pursuant to Section 901 et seq. of this title.

8       9. Notwithstanding the provisions of paragraph 8 of this  
9 subsection, a statewide elected official or legislator who is first  
10 elected or appointed on or after November 1, 2018, and who has  
11 participating service in the defined benefit plan prior to November  
12 1, 2015, shall be a member of the defined benefit plan.

13       B. The normal retirement date for an elected official shall be  
14 the first day of the month coinciding with or following the  
15 official's sixtieth birthday or the first day of the month  
16 coinciding with or following the date at which the sum of the  
17 elected official's age and number of years of credited service total  
18 eighty (80). The normal retirement date for an elected official  
19 first elected or appointed to an elected office on or after November  
20 1, 2011, shall be the first day of the month coinciding with or  
21 following the official's sixty-fifth birthday or the date upon which  
22 the elected or appointed official attains the age of sixty-two (62)  
23 and who has at least ten (10) years of elected or appointed service.  
24 Any elected official first elected or appointed to an elected office

1 before November 1, 2011, who has a minimum of ten (10) years'  
2 participating service may retire under the early retirement  
3 provisions of this act, including those electing a vested benefit  
4 and shall receive an adjustment of annual benefits in accordance  
5 with the following percentage schedule:

		Percentage of Normal Retirement Benefits
	Age	
8	60	100%
9	59	94%
10	58	88%
11	57	82%
12	56	76%
13	55	70%

14 Any elected official first elected or appointed to an elected  
15 office on or after November 1, 2011, who has a minimum of ten (10)  
16 years' elected or appointed service may retire under the early  
17 retirement provisions of this act, including those electing a vested  
18 benefit and shall receive an adjustment of annual benefits in  
19 accordance with the following percentage schedule:

		Percentage of Normal Retirement Benefits
	Age	
22	62	100%
23	61	93.33%
24	60	86.67%

1       C. 1. Any elected official shall receive annual benefits  
2       computed based upon the computation factor selected multiplied by  
3       the member's highest annual compensation received as an elected  
4       official prior to retirement or termination of employment multiplied  
5       by the number of years of credited service. No elected official  
6       shall retire using such highest annual compensation unless the  
7       elected official has made the required election and has paid the  
8       required contributions on such salary.

9       2. The retirement benefit may be computed pursuant to the  
10      provisions of paragraph (1) of subsection A of Section 915 of this  
11      title if the benefit would be higher. Elected officials who have a  
12      vested benefit prior to July 1, 1980, may elect to receive annual  
13      benefits based on the alternate formula provided above. Such annual  
14      benefits shall be paid in equal monthly installments.

15       3. Elected officials who become members of the Oklahoma Public  
16      Employees Retirement System on or after August 22, 2008, will  
17      receive retirement benefits in accordance with the computation  
18      factor selected pursuant to subsection A of this section multiplied  
19      by the member's highest annual compensation received as an elected  
20      official and only for those years of credited service the member  
21      served as an elected official. If such elected official has  
22      participating service as a nonelected member, then such nonelected  
23      service shall be computed separately pursuant to the provisions of  
24      paragraph (1) of subsection A of Section 915 of this title with the

1 final benefit result added to the final benefit result for elected  
2 service. In no event shall the elected official be entitled to  
3 apply the computation factor selected pursuant to subsection A of  
4 this section or the compensation received as an elected official to  
5 the computation of nonelected service.

6 4. Elected officials who are first elected or appointed to an  
7 elected office on or after August 22, 2008, may not receive a  
8 maximum benefit greater than their single highest annual  
9 compensation received as a member of the Oklahoma Public Employees  
10 Retirement System.

11 D. Any elected official making an election to participate at a  
12 computation factor less than the maximum and later selecting a  
13 higher computation factor shall contribute to the System a sum equal  
14 to the amount which the elected official would have contributed if  
15 the elected official had made such election at the time the elected  
16 official first became eligible, plus interest as determined by the  
17 Board, in order to receive the additional benefits for all service  
18 as an elected official; otherwise, the additional benefits shall be  
19 applicable only to service for which the elected official pays the  
20 appropriate percent of contributions to the System.

21 E. The surviving spouse of a deceased elected official who was  
22 first elected or appointed to an elected office before November 1,  
23 2011, and who has at least six (6) years of participating service  
24 and the surviving spouse of a deceased elected official who was

1 first elected or appointed to an elected office on or after November  
2 1, 2011, and who has at least eight (8) years of participating  
3 service shall be entitled to receive survivor benefits in the amount  
4 herein prescribed, if married to the decedent continuously for a  
5 period of at least three (3) years immediately preceding the elected  
6 official's death. Provided the elected official had met the service  
7 requirements, survivor benefits shall be payable when the deceased  
8 member would have met the requirements for normal or early  
9 retirement. The amount of the benefits the surviving spouse may  
10 receive shall be fifty percent (50%) of the amount of benefits the  
11 deceased elected official was receiving or will be eligible to  
12 receive. Elected officials may elect a retirement option as  
13 provided in Section 918 of this title in lieu of the survivors  
14 benefit provided above.

15 F. Any elected official who served in the Armed Forces of the  
16 United States, as defined in paragraph (23) of Section 902 of this  
17 title, prior to membership in the Oklahoma Public Employees  
18 Retirement System shall be granted credited service of not to exceed  
19 five (5) years for those periods of active military service during  
20 which the elected official was a war veteran.

21 G. Anyone appointed or elected to an elected position after  
22 July 1, 1990, shall not be eligible to receive benefits as provided  
23 in this section until such person has participated as an elected  
24 official for six (6) years. Anyone appointed or elected to an

1 elected position on or after November 1, 2011, shall not be eligible  
2 to receive benefits as provided in this section until such person  
3 has participated as an elected official for eight (8) years.

4       H. Elected officials who terminate participation in the System  
5 and who have a minimum of six (6) years of participating service  
6 shall be entitled to elect a vested benefit and shall be entitled to  
7 the retirement options as provided in Section 918 of this title in  
8 lieu of the survivors benefit provided in subsection E of this  
9 section. Elected officials, first elected or appointed to an  
10 elected office on or after November 1, 2011, who terminate  
11 participation in the System and who have a minimum of eight (8)  
12 years of participating service shall be entitled to elect a vested  
13 benefit and shall be entitled to retirement options as provided in  
14 Section 918 of this title in lieu of the survivors benefits provided  
15 in subsection E of this section.

16       I. In determining the number of years of credited service, a  
17 fractional year of six (6) months or more shall be considered as one  
18 (1) year, and less than six (6) months or more shall be disregarded.  
19 For members who joined the System on or after November 1, 2011, the  
20 number of years of credited service shall be based on actual years  
21 and months of credited service without rounding up or down.

22       SECTION 8.       AMENDATORY       74 O.S. 2021, Section 920, is  
23 amended to read as follows:

24

1       Section 920. (1) Effective July 1, 1994, every state agency  
2 which is a participating employer shall contribute to the System an  
3 amount equal to eleven and one-half percent (11 1/2%) of the monthly  
4 compensation of each member, but not in excess of Forty Thousand  
5 Dollars (\$40,000.00).

6       (2) Effective July 1, 1995, every state agency which is a  
7 participating employer shall contribute to the System an amount  
8 equal to eleven and one-half percent (11 1/2%) of the monthly  
9 compensation of each member, not to exceed the allowable annual  
10 compensation as defined in paragraph (9) of Section 902 of this  
11 title.

12       (3) Effective July 1, 1996, every state agency which is a  
13 participating employer shall contribute to the System an amount  
14 equal to twelve percent (12%) of the monthly compensation of each  
15 member, not to exceed the allowable annual compensation defined in  
16 paragraph (9) of Section 902 of this title.

17       (4) Effective July 1, 1999, and through the fiscal year ending  
18 June 30, 2005, every state agency which is a participating employer  
19 shall contribute to the System an amount equal to ten percent (10%)  
20 of the monthly compensation of each member, not to exceed the  
21 allowable annual compensation defined in paragraph (9) of Section  
22 902 of this title.

23       (5) Effective July 1, 2005, ~~except as otherwise provided by~~  
24 ~~subsection (11) of this section,~~ every state agency which is a

1 | participating employer shall contribute an amount to the System  
2 | equal to a percentage of monthly compensation of each member, not to  
3 | exceed the allowable annual compensation defined in paragraph (9) of  
4 | Section 902 of this title as follows:

5	July 1, 2005 - June 30, 2006	11 1/2%
6	July 1, 2006 - June 30, 2007	12 1/2%
7	July 1, 2007 - June 30, 2008	13 1/2%
8	July 1, 2008 - June 30, 2009	14 1/2%
9	July 1, 2009 - June 30, 2011	15 1/2%
10	July 1, 2011 - June 30, 2012	
11	and each year thereafter	16 1/2%
12		

13 | (6) The Board shall certify, on or before November 1 of each  
14 | year, to the Office of Management and Enterprise Services an  
15 | actuarially determined estimate of the rate of contribution which  
16 | will be required, together with all accumulated contributions and  
17 | other assets of the System, to be paid by each participating  
18 | employer to pay all liabilities which shall exist or accrue under  
19 | the System, including amortization of the past service cost over a  
20 | period of not to exceed forty (40) years from June 30, 1987, and the  
21 | cost of administration of the System, as determined by the Board,  
22 | upon recommendation of the actuary.

23 | (7) The Office of Management and Enterprise Services and the  
24 | Governor shall include in the budget and in the budget request for

1 appropriations the sum required to satisfy the state's obligation  
2 under this section as certified by the Board and shall present the  
3 same to the Legislature for allowance and appropriation.

4 (8) Each other participating employer shall appropriate and pay  
5 to the System a sum sufficient to satisfy the obligation under this  
6 section as certified by the Board.

7 (9) Each participating employer is hereby authorized to pay the  
8 employer's contribution from the same fund that the compensation for  
9 which said contribution is paid from or from any other funds  
10 available to it for such purpose.

11 (10) Forfeitures arising from severance of employment, death or  
12 for any other reason may not be applied to increase the benefits any  
13 member would otherwise receive under the System's law. However,  
14 forfeitures may be used to reduce an employer's contribution.

15 (11) ~~Effective November 1, 2015, an employer shall be required~~  
16 ~~to make payment to the Oklahoma Public Employees Retirement System~~  
17 ~~of the amount described by subsection A of Section 10 of this act~~  
18 ~~with respect to any employee who is a participant in the defined~~  
19 ~~contribution system created pursuant to the provisions of Sections 1~~  
20 ~~through 11 of this act. The employer shall be required to make the~~  
21 ~~required matching contribution amount for all employees that~~  
22 ~~participate in the defined contribution system and to remit the~~  
23 ~~difference between such amount and the amount the employer would~~  
24

1 ~~otherwise have paid pursuant to the provisions of this section to~~  
2 ~~the Oklahoma Public Employees Retirement System.~~

3 SECTION 9. AMENDATORY 74 O.S. 2021, Section 1707, is  
4 amended to read as follows:

5 Section 1707. A. Effective January 1, 1998, for each qualified  
6 participant as defined in this section who is a state employee as  
7 defined in this section, the Oklahoma Public Employees Retirement  
8 System shall pay each month from funds appropriated or deposited to  
9 the Oklahoma State Employees Deferred Savings Incentive Plan Fund  
10 created pursuant to this section the sum of Twenty-five Dollars  
11 (\$25.00) to a plan established pursuant to the Internal Revenue  
12 Code, Section 401(a), for the benefit of the employee; provided, if  
13 monies in the fund are insufficient to fully fund the contributions  
14 in any month, payments shall be suspended until such time as  
15 sufficient monies are available. Employees receiving payroll other  
16 than monthly shall have an amount contributed which is equivalent to  
17 Twenty-five Dollars (\$25.00) per month.

18 B. For the purposes of this section, "qualified participant"  
19 means a state employee as defined in this section who is an active  
20 participant in the Oklahoma State Employees Deferred Compensation  
21 Plan making deferrals of at least Twenty-five Dollars (\$25.00) per  
22 month. ~~A qualified participant shall not include an employee who~~  
23 ~~participates in the defined contribution system administered by the~~  
24 ~~Oklahoma Public Employees Retirement System on or after November 1,~~

1 ~~2015.~~ Effective July 1, 2000, each qualified participant shall be  
2 eligible for a contribution of Twenty-five Dollars (\$25.00) to the  
3 Oklahoma State Employees Deferred Savings Incentive Plan beginning  
4 with the first employee deferral into the Oklahoma State Employees  
5 Deferred Compensation Plan. The Director of the Office of  
6 Management and Enterprise Services shall be responsible for the  
7 provision of such information and assistance as may be necessary to  
8 determine which employees are qualified participants and shall  
9 provide for appropriate payroll transactions to accomplish  
10 contributions to the Oklahoma State Employees Deferred Savings  
11 Incentive Plan and the Oklahoma State Employees Deferred  
12 Compensation Plan. The Oklahoma Public Employees Retirement System  
13 shall be responsible for establishing rules and plan documents for  
14 administration of such contributions. Funds so credited shall be  
15 held and invested in the same manner as the Oklahoma State Employees  
16 Deferred Compensation Plan, as provided in Section 1701 of this  
17 title.

18       C. For the purposes of this section, "state employee" means any  
19 officer or employee of the executive, legislative, or judicial  
20 branches of the government of this state who is an active member of  
21 a public retirement system of this state, but does not include:  
22           1. Employees of the public elementary, secondary, or area  
23 vocational school districts;

24

1       2. Employees of The Oklahoma State System of Higher Education  
2 except employees of the Oklahoma State Regents of Higher Education,  
3 employees of the governing boards and employees of the Board of  
4 Regents of the University of Oklahoma who are participating members  
5 of the Oklahoma Public Employees Retirement System;

6       3. Persons on temporary, student, internship, or other limited-  
7 term appointments except for Executive Fellows in the Carl Albert  
8 Public Internship Program created in Section 840-3.4 of this title;  
9 or

10      4. Persons employed pursuant to Section 1.6a of Title 53 of the  
11 Oklahoma Statutes.

12      D. No public official shall be able to make contributions to  
13 the Section 401(a) plan described by this section during a term of  
14 office which commenced prior to July 1, 1997. A public official may  
15 make contributions to the Section 401(a) plan described by this  
16 section during a term of office which commences after July 1, 1997.  
17 No legislator shall be eligible to make contributions to the Section  
18 401(a) plan described by this section until such contributions have  
19 been approved by the Board on Legislative Compensation. The  
20 provisions of this subsection shall be applicable only in the event  
21 that the Plan permits employee contributions.

22      E. There is hereby created in the State Treasury a revolving  
23 fund to be designated the "Oklahoma State Employees Deferred Savings  
24 Incentive Plan Fund". The fund shall be a continuing fund, not

1 | subject to fiscal year limitations, and shall consist of any monies  
2 | the Legislature may appropriate or transfer to the fund and any  
3 | monies contributed for the fund from any other sources, public or  
4 | private. All monies accruing to the credit of said fund are hereby  
5 | appropriated and may be budgeted and expended by the Oklahoma Public  
6 | Employees Retirement System for the matching of deferred  
7 | compensation contributions pursuant to this section and in  
8 | accordance with rules promulgated by the Oklahoma Public Employees  
9 | Retirement System and for reimbursement of expenses for  
10 | administration of the Deferred Savings Incentive Plan and the  
11 | Oklahoma State Employees Deferred Compensation Plan. Expenditures  
12 | from the fund shall be made by warrants issued by the State  
13 | Treasurer against claims filed as prescribed by law with the  
14 | Director of the Office of Management and Enterprise Services for  
15 | approval and payment.

16 | F. Effective July 1, 2000, every employer which has state  
17 | employees participating in the Oklahoma State Employees Deferred  
18 | Savings Incentive Plan shall pay to the Fund an amount equal to  
19 | Twenty-five Dollars (\$25.00) each month for each qualified  
20 | participant as defined in this section, along with an amount to  
21 | reimburse the cost of administration of the Oklahoma State Employees  
22 | Deferred Savings Incentive Plan and the Oklahoma State Employees  
23 | Deferred Compensation Plan for each qualified participant, as  
24 | determined by the Board.

1       1. The Board shall certify each year to the Office of  
2 Management and Enterprise Services the determined amount for the  
3 administrative cost of the Oklahoma State Deferred Savings Incentive  
4 Plan and the Oklahoma State Employees Deferred Compensation Plan  
5 which will be required to be paid for each qualified participant.

6       The Board of Trustees shall promulgate such rules as are necessary  
7 to implement the provisions of this subsection and provide the  
8 methodology for the determination.

9       2. Each employer shall pay at least monthly to the Fund the sum  
10 sufficient to satisfy the obligation under this section as certified  
11 by the Board.

12       3. Each employer is hereby authorized to pay the employer's  
13 contribution from the same fund that the compensation for which said  
14 contribution is paid from or from any other funds available to it  
15 for such purpose.

16       SECTION 10. Section 1 of this act shall become effective  
17 October 1, 2026.

18       SECTION 11. Sections 2 through 9 of this act shall become  
19 effective November 1, 2026.

20                   60-2-15565       MAH       01/05/26

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23  
24

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January 6, 2026

Representative Humphrey  
Room 301

Re: RBH No. 15565

This bill would terminate the existing defined contribution plan for public employees. The former participants of the defined contribution plan would become participants of existing defined benefit plan. The participants of the defined contribution plan would have the option to convert their account balance into service credits in the defined benefit plan using actuarial factors approved by the board of trustees.

RBH No. 15565 is a non fiscal bill under OPLAAA.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA