

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 3225

By: Humphrey

AS INTRODUCED

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 definitions; imposing conditions related to approvals by the Internal Revenue Service; providing for termination of provisions of the Retirement Freedom Act; providing for cessation of certain employee contributions; requiring employee contributions pursuant to provisions of defined benefit plan; providing for cessation of certain employer contributions; requiring employer contributions pursuant to provisions of defined benefit plan; authorizing management of defined contribution plan accounts for certain period of time; requiring irrevocable election with regard to 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
24

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

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

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

15 (3) the lesser of two percent (2%) of the gross
16 annual retirement benefit of the member or One
17 Thousand Four Hundred Dollars (\$1,400.00) and
18 requires that the benefit may only be provided if
19 the funded ratio of the affected retirement
20 system would be greater than one hundred percent
21 (100%) after the benefit increase is paid, or

22 (4) the greater of two percent (2%) of the gross
23 annual retirement benefit of the volunteer
24 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.

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.

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.

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

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

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

9 (d) Current appointed members of the Oklahoma Tax
10 Commission whose salary is constitutionally limited
11 and is less than the highest salary allowed by law for
12 his or her position shall be allowed, within ninety
13 (90) days from March 21, 2001, to make an election to
14 use the highest salary allowed by law for the position
15 to which the member was appointed for the purposes of
16 making contributions and determination of retirement
17 benefits. Such election shall be irrevocable and be
18 in writing. Reappointment to the same office shall
19 not permit a new election. Members appointed to the
20 Oklahoma Tax Commission after the March 21, 2001,
21 shall make such election, pursuant to this
22 subparagraph, within ninety (90) days of taking
23 office;
24

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

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

5 (b) A class or several classes of employees who are
6 covered by Social Security and are not covered by or
7 eligible for and will not become eligible for another
8 retirement plan authorized under the laws of this
9 state, which is in operation on the effective date,
10 and when the qualifications for employment in such
11 class or classes are set by state law; and when such
12 class or classes of employees are employed by a county
13 or municipal government pursuant to such
14 qualifications; and when the services provided by such
15 employees are of such nature that they qualify for
16 matching by or contributions from state or federal
17 funds administered by an agency of state government
18 which qualifies as a participating employer, then the
19 agency of state government administering the state or
20 federal funds shall be deemed an eligible employer,
21 but only with respect to that class or those classes
22 of employees as defined in this subsection; provided,
23 that the required contributions to the retirement plan
24 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

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

5 (d) Eligibility shall also not include any officer or
6 employee of the Oklahoma Employment Security
7 Commission, except for those officers and employees of
8 the Commission electing to transfer to this System
9 pursuant to the provisions of Section 910.1 of this
10 title or any other class of officers or employees
11 specifically exempted by the laws of this state,
12 unless there be a consolidation as provided by Section
13 912 of this title. Employees of the Oklahoma
14 Employment Security Commission who are ineligible for
15 enrollment in the Oklahoma Employment Security
16 Commission Retirement Plan, that was in effect on
17 January 1, 1964, shall become members of this System.

18 (e) Any employee employed by the Legislative Service
19 Bureau, Senate or House of Representatives for the
20 full duration of a regular legislative session shall
21 be eligible for membership in the System regardless of
22 classification as a temporary employee and may
23 participate in the System during the regular
24 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

1 b. the member makes payment to the System of
2 the actuarial cost of the service credit
3 pursuant to subsection A of Section 913.5 of
4 this title. The provisions of Section 913.5
5 of this title shall be applicable to the
6 purchase of the service credit, including
7 the provisions for determining service
8 credit in the event of incomplete payment
9 due to cessation of payments, death,
10 termination of employment or retirement, but
11 the payment may extend for a period not to
12 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;

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:

- 1 a. for the period from February 28, 1961, to
2 August 4, 1964, military service shall only
3 include service in the Republic of Vietnam
4 during that period, and
- 5 b. for purposes of determining eligibility for
6 education and training benefits, such period
7 shall end on December 31, 1976, or
- 8 (vi) August 1, 1990, to December 31, 1991, commonly
9 referred to as the Gulf War, the Persian Gulf
10 War, or Operation Desert Storm, but excluding any
11 person who served on active duty for training
12 only, unless discharged from such active duty for
13 a service-connected disability;
- 14 (b) during a period of war or combat military operation
15 other than a conflict, war or era listed in
16 subparagraph (a) of this paragraph, beginning on the
17 date of Congressional authorization, Congressional
18 resolution, or Executive Order of the President of the
19 United States, for the use of the Armed Forces of the
20 United States in a war or combat military operation,
21 if such war or combat military operation lasted for a
22 period of ninety (90) days or more, for a person who
23 served, and only for the period served, in the area of
24 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:
23
24

1 (1) sixty-second birthday with respect to members
2 whose first participating service occurs prior to
3 November 1, 2011, or

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

12 (b) for any person who initially became a member prior to
13 July 1, 1992, and who does not reach a normal
14 retirement date pursuant to division (1) of
15 subparagraph (a) of this paragraph, the first day of
16 the month coinciding with or following the date at
17 which the sum of a member's age and number of years of
18 credited service total eighty (80); such a normal
19 retirement date will also apply to any person who
20 became a member of the sending system as defined in
21 Section 901 et seq. of this title, prior to July 1,
22 1992, regardless of whether there were breaks in
23 service after July 1, 1992,

- 1 (c) for any person who became a member after June 30,
2 1992, but prior to November 1, 2011, and who does not
3 reach a normal retirement date pursuant to division
4 (1) of subparagraph (a) of this paragraph, the first
5 day of the month coinciding with or following the date
6 at which the sum of a member's age and number of years
7 of credited service total ninety (90),
- 8 (d) in addition to subparagraphs (a), (b) and (c) of this
9 paragraph, the first day of the month coinciding with
10 or following a member's completion of at least twenty
11 (20) years of full-time-equivalent employment as:
- 12 (i) a correctional or probation and parole officer
13 with the Department of Corrections and at the
14 time of retirement, the member was a correctional
15 or probation and parole officer with the
16 Department of Corrections,
- 17 (ii) a correctional officer, probation and parole
18 officer or fugitive apprehension agent with the
19 Department of Corrections who is in such position
20 on June 30, 2004, or who is hired after June 30,
21 2004, and who receives a promotion or change in
22 job classification after June 30, 2004, to
23 another position in the Department of
24 Corrections, so long as such officer or agent has

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

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

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

1 (v) a deputy sheriff or jailer employed by any county
2 that is a participating employer in the System
3 for the first time as a deputy sheriff or jailer
4 on or after November 1, 2020, or

5 (vi) beginning November 1, 2024, a deputy sheriff or
6 jailer employed by any county that is a
7 participating employer in the System for the
8 first time as a deputy sheriff or jailer before
9 November 1, 2020, including those who make the
10 election authorized by division (2) of
11 subparagraph b of paragraph (10) of subsection A
12 of Section 915 of this title, and at the time of
13 retirement, if the member was a deputy sheriff or
14 jailer employed by the participating county, and
15 such member has at least twenty (20) years of
16 credited service upon which the two and one-half
17 percent (2 1/2%) multiplier will be used in
18 calculating the retirement benefit,

19 (e) for those fugitive apprehension agents who retire on
20 or after July 1, 2002, the first day of the month
21 coinciding with or following a member's completion of
22 at least twenty (20) years of full-time-equivalent
23 employment as a fugitive apprehension agent with the
24 Department of Corrections and at the time of

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

3 (f) for any member who was continuously employed by an
4 entity or institution within The Oklahoma State System
5 of Higher Education and whose initial employment with
6 such entity or institution was prior to July 1, 1992,
7 and who without a break in service of more than thirty
8 (30) days became employed by an employer participating
9 in the Oklahoma Public Employees Retirement System,
10 the first day of the month coinciding with or
11 following the date at which the sum of the member's
12 age and number of years of credited service total
13 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;

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

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

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

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

| Elected official Contribution Rate | Computation Factor | Alternate Formula |
|---------------------------------------|-----------------------|----------------------|
| 4.5% | 1.9% | \$12.50 |
| 6% | 2.5% | \$20.00 |
| 7.5% | 3.0% | \$25.00 |
| 8.5% | 3.4% | \$27.50 |
| 9% | 3.6% | \$30.00 |
| 10% | 4.0% | \$40.00 |

4. Elected officials who are first elected or appointed to an 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.

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

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

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

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

| Age | Percentage of Normal Retirement Benefits |
|-----|--|
| 60 | 100% |
| 59 | 94% |
| 58 | 88% |
| 57 | 82% |
| 56 | 76% |
| 55 | 70% |

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

| Age | Percentage of Normal Retirement Benefits |
|-----|--|
| 62 | 100% |
| 61 | 93.33% |
| 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

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

July 1, 2005 - June 30, 2006 11 1/2%

July 1, 2006 - June 30, 2007 12 1/2%

July 1, 2007 - June 30, 2008 13 1/2%

July 1, 2008 - June 30, 2009 14 1/2%

July 1, 2009 - June 30, 2011 15 1/2%

July 1, 2011 - June 30, 2012

and each year thereafter 16 1/2%

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

(7) The Office of Management and Enterprise Services and the 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;

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.

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21 60-2-15565 MAH 01/05/26
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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