

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3236

By: Rosecrants

6 AS INTRODUCED

7 An Act relating to retirement; amending 62 O.S. 2021,
8 Section 3103, as last amended by Section 2, Chapter
9 361, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103),
10 which relates to the Oklahoma Pension Legislation
11 Actuarial Analysis Act; modifying terms; defining
12 terms; directing the Board of Trustees of the
13 Oklahoma Teachers' Retirement System to grant
14 retirement benefit increase under certain
15 circumstances; providing condition; providing
16 limitation on retirement benefit increase; directing
17 the System to provide annual report; directing the
18 Legislative Office of Fiscal Transparency to conduct
19 review; providing for codification; providing
20 effective dates; providing for contingent effective
21 dates based on outcome of approval of the emergency
22 clause; and declaring an emergency.

16
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as

19 last amended by Section 2, Chapter 361, O.S.L. 2024 (62 O.S. Supp.
20 2025, Section 3103), is amended to read as follows:21 Section 3103. As used in the Oklahoma Pension Legislation
22 Actuarial Analysis Act:23 1. "Amendment" means any amendment, including a substitute
24 bill, made to a retirement bill by any committee of the House of

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

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

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

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

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

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

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

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

24

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

c. which authorizes the purchase by an active member of the retirement system, at the actuarial cost for the purchase as computed pursuant to the statute in effect on the effective date of the measure allowing such purchase, of years of service for purposes of reaching a normal retirement date in the applicable retirement system, but which cannot be used in order to compute the number of years of service for purposes of computing the retirement benefit for the member,

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

e. which requires membership in the defined benefit plan authorized by Section 901 et seq. of Title 74 of the Oklahoma Statutes for persons whose first elected or appointed service occurs on or after November 1, 2018,

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

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

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

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

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

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

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

Pension and Retirement System as provided by Section 50-115 of Title 11 of the Oklahoma Statutes,

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

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

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

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

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

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

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

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

j. which authorizes membership in the Oklahoma Law Enforcement Retirement System for active commissioned or CLEET-certified agents of the Office of the Attorney General or the Military Department of the

1 State of Oklahoma pursuant to Sections 3 2-309.9 and 4

2 2-309.10 of ~~this act~~ Title 47 of the Oklahoma

3 Statutes; or

4 k. which authorizes a retirement benefit increase

5 pursuant to the provisions of Section 2 of this act.

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

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

17 7. "Retirement bill" means any bill or joint resolution
18 introduced or any bill or joint resolution amended by a member of
19 the Legislature which creates or amends any law directly affecting a
20 retirement system. A retirement bill shall not mean a bill or
21 resolution that impacts the revenue of any state tax in which a
22 portion of the revenue generated from such tax is earmarked for the
23 benefit of a retirement system;

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

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

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 17-116.23 of Title 70, unless
13 there is created a duplication in numbering, reads as follows:

14 A. As used in this section:

15 1. "CPI-W" means the Consumer Price Index for urban wage
16 earners and clerical workers, as published by the Bureau of Labor
17 Statistics, U.S. Department of Labor. This is used as a measure of
18 price inflation for the development of the retirement benefit
19 increase described in subsection B of this section; and

20 2. "Funded ratio" means the figure derived by dividing the
21 actuarial value of retirement system assets by the actuarial accrued
22 liability amount of the retirement system using the information
23 reported to the retirement system by its actuary in the annual
24 valuation and which is computed as of a day certain.

1 B. The Board of Trustees of the Teachers' Retirement System of
2 Oklahoma shall grant a retirement benefit increase, adjusted due to
3 price inflation, if any, as measured by the CPI-W, effective July 1
4 each year to the retired members of the system or their
5 beneficiaries if the funded ratio of the retirement system will be
6 at least eighty percent (80%) after the benefit increase is provided
7 to the eligible retirees or beneficiaries. Provided, however, that
8 the retirement benefit increase shall be no more than two percent
9 (2%).

10 C. The System shall provide an annual report that contains an
11 actuarial certification to the Speaker of the Oklahoma House of
12 Representatives and the Pro Tempore of the Oklahoma Senate prior to
13 the granting of a retirement benefit increase pursuant to this
14 section.

15 D. The Legislative Office of Fiscal Transparency shall conduct
16 a review of the System every five (5) years to ensure compliance
17 with the provisions of this section.

18 SECTION 3. If the Emergency Clause is not approved pursuant to
19 the requirements of the Oklahoma Constitution as part of this
20 measure, the effective date of Section 1 of this act shall be
21 October 1, 2026.

22 SECTION 4. If the Emergency Clause is not approved pursuant to
23 the requirements of the Oklahoma Constitution as part of this
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1 measure, the effective date of Section 2 of this act shall be
2 November 1, 2026.

3 SECTION 5. Except as otherwise provided by Section 3 of this
4 act, Section 1 of this act shall become effective immediately upon
5 signature by the Governor or as otherwise provided by Section 58 of
6 Article V of the Oklahoma Constitution.

7 SECTION 6. Except as otherwise provided by Section 4 of this
8 act, Section 2 of this act shall become effective July 1, 2026.

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

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14 60-2-15238 CMA 01/01/26
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January 6, 2026

Representative Rosecrants
Room 503

Re: RBH No. 15238

This bill would allow the Teachers Retirement System Board of Trustees to grant a cost of living adjustment each year based on changes in the CPI-W, provided the system is 80% funded after each increase. The annual increase may not exceed 2%.

RBH No. 15238 is a non fiscal bill under OPLAAA as amended.

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