

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 4231

By: Kannady

AS INTRODUCED

An Act relating to retirement; amending 62 O.S. 2021, Section 3103, as last amended by Section 2, Chapter 361, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; amending 11 O.S. 2021, Sections 49-100.1, as last amended by Section 1, Chapter 142, O.S.L. 2025 (11 O.S. Supp. 2025, Section 49-100.1), 49-109, as amended by Section 4, Chapter 151, O.S.L. 2023 (11 O.S. Supp. 2025, Section 49-109), 49-117.1, as last amended by Section 3, Chapter 142, O.S.L. 2025 (11 O.S. Supp. 2025, Section 49-117.1), and 49-122, which relate to the Oklahoma Firefighters Pension and Retirement System; increasing computation factor used to calculate accrued retirement benefit; increasing computation factor used to calculate disability retirement benefit; modifying computation for monthly retirement annuity; increasing the municipal contribution; providing effective dates; providing for contingent effective dates based on outcome of approval of the emergency clause; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as last amended by Section 2, Chapter 361, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), is amended to read as follows:

1 Section 3103. As used in the Oklahoma Pension Legislation
2 Actuarial Analysis Act:

3 1. "Amendment" means any amendment, including a substitute
4 bill, made to a retirement bill by any committee of the House of
5 Representatives or Senate, any conference committee of the House or
6 Senate or by the House or Senate;

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

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

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

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

22 a. which does not affect the cost or funding factors of a
23 retirement system,
24

- 1 b. which affects such factors only in a manner which does
2 not:
3 (1) grant a benefit increase under the retirement
4 system affected by the bill,
5 (2) create an actuarial accrued liability for or
6 increase the actuarial accrued liability of the
7 retirement system affected by the bill, or
8 (3) increase the normal cost of the retirement system
9 affected by the bill,
10 c. which authorizes the purchase by an active member of
11 the retirement system, at the actuarial cost for the
12 purchase as computed pursuant to the statute in effect
13 on the effective date of the measure allowing such
14 purchase, of years of service for purposes of reaching
15 a normal retirement date in the applicable retirement
16 system, but which cannot be used in order to compute
17 the number of years of service for purposes of
18 computing the retirement benefit for the member,
19 d. which provides for the computation of a service-
20 connected disability retirement benefit for members of
21 the Oklahoma Law Enforcement Retirement System
22 pursuant to Section 2-305 of Title 47 of the Oklahoma
23 Statutes if the members were unable to complete twenty
24 (20) years of service as a result of the disability,

1 e. which requires membership in the defined benefit plan
2 authorized by Section 901 et seq. of Title 74 of the
3 Oklahoma Statutes for persons whose first elected or
4 appointed service occurs on or after November 1, 2018,
5 if such persons had any prior service in the Oklahoma
6 Public Employees Retirement System prior to November
7 1, 2015,

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

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

22 (2) the lesser of two percent (2%) of the gross
23 annual retirement benefit of the member or One
24 Thousand Two Hundred Dollars (\$1,200.00) and

1 requires that the benefit may only be provided if
2 the funded ratio of the affected retirement
3 system would be greater than eighty percent (80%)
4 but not greater than one hundred percent (100%)
5 after the benefit increase is paid,

6 (3) the lesser of two percent (2%) of the gross
7 annual retirement benefit of the member or One
8 Thousand Four Hundred Dollars (\$1,400.00) and
9 requires that the benefit may only be provided if
10 the funded ratio of the affected retirement
11 system would be greater than one hundred percent
12 (100%) after the benefit increase is paid, or

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

21 As used in this subparagraph, "funded ratio" means the
22 figure derived by dividing the actuarial value of
23 assets of the applicable retirement system by the
24

1 actuarial accrued liability of the applicable
2 retirement system,

3 g. which modifies the disability pension standard for
4 police officers who are members of the Oklahoma Police
5 Pension and Retirement System as provided by Section
6 50-115 of Title 11 of the Oklahoma Statutes,

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

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

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

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

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

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

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

21 i. which modifies the computation of the line-of-duty
22 disability benefit pursuant to the provisions of this
23 section and Sections 50-101 and 50-115 of Title 11 of
24 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 State of Oklahoma pursuant to Sections ~~3~~ 2-309.9 and 4 2-309.10 of ~~this act~~ Title 47 of the Oklahoma Statutes, or

k. which increases the computation factor used to calculate the accrued retirement benefit and disability retirement benefit pursuant to Sections 49-100.1 and 49-109 of Title 11 of the Oklahoma Statutes, modifies the computation of a retirement annuity pursuant to Section 49-117.1 of Title 11 of the Oklahoma Statute, and increases the municipal contribution pursuant to Section 49-122 of Title 11 of the Oklahoma Statutes.

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

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

5 7. "Retirement bill" means any bill or joint resolution
6 introduced or any bill or joint resolution amended by a member of
7 the Legislature which creates or amends any law directly affecting a
8 retirement system. A retirement bill shall not mean a bill or
9 resolution that impacts the revenue of any state tax in which a
10 portion of the revenue generated from such tax is earmarked for the
11 benefit of a retirement system;

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

15 9. "Retirement system" means the Teachers' Retirement System of
16 Oklahoma, the Oklahoma Public Employees Retirement System, the
17 Uniform Retirement System for Justices and Judges, the Oklahoma
18 Firefighters Pension and Retirement System, the Oklahoma Police
19 Pension and Retirement System, the Oklahoma Law Enforcement
20 Retirement System, or a retirement system established after January
21 1, 2006.

22 SECTION 2. AMENDATORY 11 O.S. 2021, Section 49-100.1, as
23 last amended by Section 1, Chapter 142, O.S.L. 2025 (11 O.S. Supp.
24 2025, Section 49-100.1), is amended to read as follows:

1 Section 49-100.1. As used in this article:

2 1. "System" means the Oklahoma Firefighters Pension and
3 Retirement System and all predecessor municipal firefighters pension
4 and retirement systems;

5 2. "Article" means Article 49 of this title;

6 3. "State Board" means the Oklahoma Firefighters Pension and
7 Retirement Board;

8 4. "Local board" means the local firefighters pension and
9 retirement boards;

10 5. "Fund" means the Oklahoma Firefighters Pension and
11 Retirement Fund;

12 6. "Member" means all eligible firefighters of a participating
13 municipality or a fire protection district who perform the essential
14 functions of fire suppression, prevention, and life safety duties in
15 a fire department. The term "member" shall include but not be
16 limited to the person serving as fire chief of any participating
17 municipality, provided that a person serving as fire chief of a
18 participating municipality shall meet the age, agility, physical and
19 other eligibility requirements required by law at the time said
20 person becomes a member of the System. Effective July 1, 1987, a
21 member does not include a "leased employee". The term "leased
22 employee" means any person (other than an employee of the recipient)
23 who pursuant to an agreement between the recipient and any other
24 person ("leasing organization") has performed services for the

1 recipient (or for the recipient and related persons determined in
2 accordance with Section 414(n)(6) of the Internal Revenue Code of
3 1986, as amended) on a substantially full-time basis for a period of
4 at least one (1) year, and such services are performed under primary
5 direction or control by the recipient. Contributions or benefits
6 provided a leased employee by the leasing organization which are
7 attributable to services performed for the recipient employer shall
8 be treated as provided by the recipient employer. A leased employee
9 shall not be considered an employee of the recipient if the
10 requirements of the safe harbor provisions of Section 414(n)(5) of
11 the Internal Revenue Code of 1986, as amended, are satisfied.
12 Effective July 1, 1999, any individual who agrees with the
13 participating municipality that the individual's services are to be
14 performed as a leased employee or an independent contractor shall
15 not be a member regardless of any classification as a common law
16 employee by the Internal Revenue Service or any other governmental
17 agency, or any court of competent jurisdiction;

18 7. "Normal retirement date" means the date at which the member
19 is eligible to receive the unreduced payments of the member's
20 accrued retirement benefit. Such date shall be the first day
21 following the date the member completes twenty (20) years of
22 credited service. If the member's employment continues past the
23 normal retirement date of the member, the actual retirement date of
24 the member shall be the first day following the date the member

1 terminates employment with more than twenty (20) years of credited
2 service;

3 8. "Credited service" means the period of service used to
4 determine the eligibility for and the amount of benefits payable to
5 a member. Credited service shall consist of the period during which
6 the member participated in the System or the predecessor municipal
7 systems as an active employee in an eligible membership
8 classification, plus any service prior to the establishment of the
9 predecessor municipal systems which was credited under the
10 predecessor municipal systems; provided, however, "credited service"
11 for members from a fire protection district shall not begin accruing
12 before July 1, 1982;

13 9. "Participating municipality" means a municipality, county
14 fire department organized pursuant to subsection D of Section 351 of
15 Title 19 of the Oklahoma Statutes, or fire protection district which
16 is making contributions to the System on behalf of its firefighters.
17 All participating municipalities shall appoint a fire chief who
18 shall supervise and administer the fire department;

19 10. "Disability" means the complete inability of the
20 firefighter to perform any and every duty of the firefighter's
21 regular occupation; provided further, that once benefits have been
22 paid for twenty-four (24) months the provisions of Section 49-110 of
23 this title shall apply to the firefighter;

1 11. "Executive Director" means the managing officer of the
2 System employed by the State Board;

3 12. "Eligible employer" means any municipality with a municipal
4 fire department, any county fire department organized pursuant to
5 subsection D of Section 351 of Title 19 of the Oklahoma Statutes or
6 any fire protection district with an organized fire department;

7 13. "Entry date" means the date as of which an eligible
8 employer joins the System. The first entry date pursuant to this
9 article shall be January 1, 1981;

10 14. "Final average salary" means the average paid gross salary
11 of the firefighter for normally scheduled hours over the highest
12 salaried thirty (30) consecutive months of the last sixty (60)
13 months of credited service. Gross salary shall not include payment
14 for accumulated sick or annual leave upon termination of employment,
15 any uniform allowances or any other compensation for reimbursement
16 of out-of-pocket expenses. Only salary on which the required
17 contributions have been made may be used in computing the final
18 average salary. Effective January 1, 1988, gross salary shall
19 include any amount of elective salary reduction under Section 125 of
20 the Internal Revenue Code of 1986, as amended. Gross salary shall
21 include any amount of elective salary reduction under Section 457 of
22 the Internal Revenue Code of 1986, as amended, and any amount of
23 nonelective salary reduction under Section 414(h) of the Internal
24 Revenue Code of 1986, as amended. Effective July 1, 1998, for

1 purposes of determining a member's compensation, any contribution by
2 the member to reduce the member's regular cash remuneration under
3 Section 132(f)(4) of the Internal Revenue Code of 1986, as amended,
4 shall be treated as if the member did not make such an election.
5 Only salary on which required contributions have been made may be
6 used in computing final average salary.

7 In addition to other applicable limitations, and notwithstanding
8 any other provision to the contrary, for plan years beginning on or
9 after July 1, 2002, the annual gross salary of each "Noneligible
10 Member" taken into account under the System shall not exceed the
11 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")
12 annual salary limit. The EGTRRA annual salary limit is Two Hundred
13 Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for
14 increases in the cost of living in accordance with Section
15 401(a)(17)(B) of the Internal Revenue Code of 1986, as amended. The
16 annual salary limit in effect for a calendar year applies to any
17 period, not exceeding twelve (12) months, over which salary is
18 determined ("determination period") beginning in such calendar year.
19 If a determination period consists of fewer than twelve (12) months,
20 the EGTRRA salary limit will be multiplied by a fraction, the
21 numerator of which is the number of months in the determination
22 period, and the denominator of which is twelve (12). For purposes
23 of this subsection, a "Noneligible Member" is any member who first
24

1 became a member during a plan year commencing on or after July 1,
2 1996.

3 For plan years beginning on or after July 1, 2002, any reference
4 to the annual salary limit under Section 401(a)(17) of the Internal
5 Revenue Code of 1986, as amended, shall mean the EGTRRA salary limit
6 set forth in this subsection.

7 Effective June 9, 2010, gross salary shall also include gross
8 salary, as described above, for services, but paid by the later of
9 two and one-half (2 1/2) months after a firefighter's severance from
10 employment or the end of the calendar year that includes the date
11 the firefighter terminated employment, if it is a payment that,
12 absent a severance from employment, would have been paid to the
13 firefighter while the firefighter continued in employment with the
14 participating municipality.

15 Effective June 9, 2010, any payments not described above shall
16 not be considered gross salary if paid after severance from
17 employment, even if they are paid by the later of two and one-half
18 (2 1/2) months after the date of severance from employment or the
19 end of the calendar year that includes the date of severance from
20 employment, except payments to an individual who does not currently
21 perform services for the participating municipality by reason of
22 qualified military service within the meaning of Section 414(u)(5)
23 of the Internal Revenue Code of 1986, as amended, to the extent
24 these payments do not exceed the amounts the individual would have

1 received if the individual had continued to perform services for the
2 participating municipality rather than entering qualified military
3 service.

4 Effective June 9, 2010, back pay, within the meaning of Section
5 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be treated as
6 gross salary for the year to which the back pay relates to the
7 extent the back pay represents wages and compensation that would
8 otherwise be included in this definition.

9 Effective for years beginning after December 31, 2008, gross
10 salary shall also include differential wage payments under Section
11 414(u)(12) of the Internal Revenue Code of 1986, as amended;

12 15. "Accrued retirement benefit" means, for benefits computed
13 prior to the effective date of this act, two and one-half percent (2
14 1/2%) of the firefighter's final average salary multiplied by the
15 member's years of credited service not to exceed thirty (30) years.

16 For a member who retires on or after the effective date of this
17 act, accrued retirement benefit shall mean:

18 a. for members who retire and terminate employment at
19 least one (1) year after the effective date of this
20 act, and have at least twenty-five (25) years of
21 credited service, three percent (3%) of the member's
22 final average salary multiplied by the member's years
23 of credited service, not to exceed thirty (30) years,
24

b. for members who retire and terminate employment at least two (2) years after the effective date of this act, and have at least twenty (20) years of credited service, three percent (3%) of the member's final average salary multiplied by the member's years of credited service, not to exceed thirty (30) years,

c. for members who retire and terminate employment at least five (5) years after the effective date of this act, three percent (3%) of the member's final average salary multiplied by the member's years of credited service, not to exceed thirty (30) years, and

d. for members who retire and terminate employment on or after the effective date of this act, but do not have the minimum years of credited service to qualify for the benefit outlined in subparagraphs a and b of this paragraph, or retire and terminate employment prior to the date outlined in subparagraph c of this paragraph, two and one-half percent (2 1/2%) of the member's final average salary multiplied by the member's years of credited service, not to exceed thirty (30) years;

16. "Beneficiary" means a member's surviving spouse or any surviving children, including biological and adopted children, at the time of the member's death. The surviving spouse must have been married to the firefighter for the thirty (30) continuous months

preceding the firefighter's death provided a surviving spouse of a member who died while in, or as a consequence of, the performance of the member's duty for a participating municipality, shall not be subject to the marriage limitation for survivor benefits. A surviving child of a member shall be a beneficiary until reaching eighteen (18) years of age or twenty-two (22) years of age if the child is enrolled full time and regularly attending a public or private school or any institution of higher education. Any child adopted by a member after the member's retirement shall be a beneficiary only if the child is adopted by the member for the thirty (30) continuous months preceding the member's death. Any child who is adopted by a member after the member's retirement and such member dies accidentally or as a consequence of the performance of the member's duty as a firefighter shall not be subject to the thirty-month adoption requirement. This definition of beneficiary shall be in addition to any other requirement set forth in this article;

17. "Contributions" means payments remitted to the System pursuant to Section 49-122 or subsection A of Section 49-138 of this title. Contributions shall not include payments made to repurchase credited service pursuant to Section 49-117.1 of this title, payments made to transfer credited service from another retirement system pursuant to subsection A of Section 49-117.2 or Section 49-117.3 of this title, or payments made to purchase prior military

1 service credit pursuant to subsection E of Section 49-138 of this
2 title;

3 18. "Accumulated contributions" means the sum of all
4 contributions made by a member to the System and includes both
5 contributions deducted from the compensation of a member and
6 contributions of a member picked up and paid by the participating
7 municipality of the member. Accumulated contributions shall not
8 include any interest on the contributions of the member, interest on
9 any amount contributed by the municipality or state and any amount
10 contributed by the municipality or state; and

11 19. "Limitation year" means the year used in applying the
12 limitations of Section 415 of the Internal Revenue Code of 1986,
13 which year shall be the calendar year.

14 SECTION 3. AMENDATORY 11 O.S. 2021, Section 49-109, as
15 amended by Section 4, Chapter 151, O.S.L. 2023 (11 O.S. Supp. 2025,
16 Section 49-109), is amended to read as follows:

17 Section 49-109. A. Whenever any firefighter serving in any
18 capacity in a regularly constituted fire department of a
19 municipality shall become so physically or mentally disabled while
20 in, or in consequence of, the performance of the firefighter's duty
21 as to prevent the effective performance of the firefighter's duties,
22 the State Board may, upon the firefighter's written request, or
23 without such request if the State Board deems it for the good of the
24 department, retire the firefighter from active service, and if so

1 retired, shall direct that the firefighter be paid from the System a
2 monthly pension equal to the greater of:

3 1. Fifty percent (50%) of the average monthly salary which was
4 paid to the firefighter during the last thirty (30) months of the
5 firefighter's service; ~~or~~

6 2. ~~Two~~ For benefits computed prior to the effective date of
7 this act, two and one-half percent (2 1/2%) of the firefighter's
8 final average salary multiplied by the member's years of credited
9 service, not to exceed thirty (30) years, provided such firefighter
10 has completed twenty (20) or more years of credited service; or

11 3. For benefits computed on or after the effective date of this
12 act, three percent (3%) of the firefighter's final average salary
13 multiplied by the member's years of credited service, not to exceed
14 thirty (30) years, provided such firefighter has completed twenty
15 (20) or more years of credited service.

16 B. If the disability ceases within two (2) years from the date
17 of the firefighter's disability retirement and before the
18 firefighter's normal retirement date, the formerly disabled person
19 shall be restored to active service at the salary attached to the
20 rank the firefighter held at the time of the firefighter's
21 disability retirement provided the firefighter is capable of
22 performing the duties of a firefighter. Whenever such disability
23 shall cease, such disability pension provided pursuant to paragraph
24 1 of subsection A of this section shall cease. If a firefighter

1 participates in the Oklahoma Firefighters Deferred Option Plan
2 pursuant to Section 49-106.1 of this title, the firefighter's
3 disability pension provided pursuant to this subsection shall be
4 reduced to account for the firefighter's participation in the
5 Oklahoma Firefighters Deferred Option Plan.

6 C. Whenever any firefighter, who has served in any capacity in
7 a regularly constituted fire department of a municipality of the
8 state, and who has served less than the firefighter's normal
9 retirement date, shall become so physically or mentally disabled
10 from causes not arising in the line of duty as to prevent the
11 effective performance of the firefighter's duties, the firefighter
12 shall be entitled to a pension during the continuance of such
13 disability based upon the firefighter's service period which shall
14 be fifty percent (50%) of the average monthly salary which was paid
15 to the firefighter during the last sixty (60) months of the
16 firefighter's service.

17 D. No firefighter shall accrue additional service time while
18 receiving a disability pension; provided further, that nothing
19 herein contained shall affect the eligibility of any firefighter to
20 apply for and receive a retirement pension after the firefighter's
21 normal retirement date; provided further, that no firefighter shall
22 receive retirement benefits from the System during the time the
23 firefighter is receiving disability benefits from the System. Any
24 member or beneficiary eligible to receive a monthly benefit pursuant

1 to this section may make an election to waive all or a portion of
2 monthly benefits.

3 E. If the requirements of Section 49-106.5 of this title are
4 satisfied, a member who, by reason of disability, is separated from
5 service as a public safety officer with the member's participating
6 municipality, may elect to have payment made directly to the
7 provider for qualified health insurance premiums by deduction from
8 his or her monthly disability benefit, after December 31, 2006, in
9 accordance with Section 402(1) of the Internal Revenue Code of 1986,
10 as amended. For distributions made after December 29, 2022, the
11 election provided for under Section 402(1) of the Internal Revenue
12 Code of 1986, as amended, may be made whether payment of the
13 premiums is made directly to the provider of the accident or health
14 plan or qualified long-term care insurance contract by deduction
15 from a distribution from the System or is made to the member.

16 SECTION 4. AMENDATORY 11 O.S. 2021, Section 49-117.1, as
17 last amended by Section 3, Chapter 142, O.S.L. 2025 (11 O.S. Supp.
18 2025, Section 49-117.1), is amended to read as follows:

19 Section 49-117.1. A. A member who terminates service before
20 normal retirement date, other than by death or disability shall,
21 upon application filed with the State Board, be refunded from the
22 Fund an amount equal to the sum of:

23 1. Accumulated contributions the member has made to the Fund;
24

1 2. Payments made to repurchase credited service pursuant to
2 this section;

3 3. Payments made to transfer credited service from another
4 retirement system pursuant to subsection A of Section 49-117.2 or
5 Section 49-117.3 of this title; and

6 4. Payments made to purchase prior military service credit
7 pursuant to subsection E of Section 49-138 of this title.

8 A refund made pursuant to this paragraph shall exclude interest
9 earned or paid with respect to any contribution or payment described
10 in subparagraphs 1 through 4 of this subsection, and any amount
11 contributed by the municipality or state, and interest earned with
12 respect to such contributed amount.

13 B. If a member has completed ten (10) years of credited service
14 at the date of termination, the member may elect a vested benefit in
15 lieu of receiving the refund described in subsection A of this
16 section.

17 C. If the member who has completed ten (10) or more years of
18 credited service as prescribed by subsection B of this section
19 elects the vested benefit, the member shall be entitled to a monthly
20 retirement annuity commencing on the date the member reaches fifty
21 (50) years of age or the date the member would have had twenty (20)
22 years of credited service had the member's employment continued
23 uninterrupted, whichever is later. The annual amount of such
24 retirement annuity shall be equal to two and one-half percent (2

1 1/2%) of the annualized final average salary multiplied by the
2 number of years of credited service not to exceed thirty (30) years.
3 For a monthly retirement annuity commencing on or after the
4 effective date of this act, the annual amount of such retirement
5 annuity shall be computed pursuant to the annualized final average
6 salary as defined pursuant to paragraph 14 of Section 49-100.1 of
7 this title multiplied by the number of years of credited service.

8 The death benefits provided for in Section 49-113.2 of this title
9 shall not apply to any member retiring under the provisions of this
10 section.

11 D. If a member who terminated employment and elected, or was
12 eligible to elect, a vested benefit dies prior to being eligible to
13 receive benefits, the member's beneficiary, as defined in paragraph
14 16 of Section 49-100.1 of this title, shall be entitled to the
15 member's normal monthly retirement benefit on the date the deceased
16 member would have been eligible to receive the benefit.

17 E. If a member terminates employment and withdraws the member's
18 accumulated contributions and then subsequently rejoins the System,
19 he may pay to the System the sum of the accumulated contributions he
20 has withdrawn plus ten percent (10%) annual interest from the date
21 of withdrawal to the date of repayment and shall receive the same
22 benefits as if he had never withdrawn his contributions.

23 F. Members may make the repayment described in subsection E of
24 this section in cash by a trustee-to-trustee transfer or direct

1 rollover of non-Roth funds from a Code Section 403(b) annuity or
2 custodial account, an eligible deferred compensation plan described
3 in Code Section 457(b) which is maintained by an eligible employer
4 described in Code Section 457(e)(1)(A), a Code Section 401(a)
5 qualified plan, or a combination thereof, provided that after-tax
6 funds in retirement plans shall not be used to make a repayment.

7 G. In the event the member does not pay the purchase price in
8 whole or part pursuant to subsection F of this section, the State
9 Board may permit the member to pay the remaining purchase price in
10 cash by certified check, to amortize the remaining purchase price
11 over a period not to exceed sixty (60) months, or other method
12 approved by the State Board. Any amortized payments under this
13 subsection shall be made by payroll deductions on an after-tax basis
14 and shall not be picked up by the member's employer. The amortized
15 payments shall include interest at a rate not to exceed the
16 actuarially assumed interest rate adopted by the State Board for
17 investment earnings each year. Any member who ceases to make
18 payment, terminates, retires, or dies before completing the payments
19 provided for in this subsection shall receive prorated service
20 credit for only those payments made, not including interest, unless
21 the unpaid balance, including interest, is paid by the member, the
22 member's surviving spouse, the member's beneficiary, or the member's
23 estate or successor in interest within ninety (90) days after the
24 first to occur of said member's termination, retirement, or death;

1 provided that no retirement benefits shall be payable until the
2 earliest of the date the unpaid balance is paid in full or ninety
3 (90) days after the first to occur of the member's termination,
4 retirement, or death.

5 H. A firefighter shall not be permitted to withdraw from the
6 System while employed as a firefighter in a participating
7 municipality.

8 I. The State Board shall promulgate such rules or procedures as
9 are necessary to implement the provisions of this section.

10 SECTION 5. AMENDATORY 11 O.S. 2021, Section 49-122, is
11 amended to read as follows:

12 Section 49-122. A. Each municipality having a paid member of a
13 fire department shall deduct monthly from the salary of each member
14 of the fire department of such municipality an amount equal to nine
15 percent (9%) of the actual paid gross salary of each member of the
16 fire department. The deduction shall be considered the minimum
17 deduction. At the option of the municipality, the municipality may
18 pay all or any part of the member's required contribution. The
19 treasurer of each municipality shall deduct the authorized
20 deductions from the salary of each paid member of the fire
21 department. The treasurer of the municipality shall deposit within
22 ten (10) days from each ending payroll date in the System the amount
23 deducted from the salary of each member of the fire department.
24 Amounts deducted from the salary of a member and not paid to the

1 System after thirty (30) days from each ending payroll date shall be
2 subject to a monthly late charge of one and one-half percent (1
3 1/2%) of the unpaid balance to be paid by the municipality to the
4 System.

5 Each municipality shall pick up under the provisions of Section
6 414(h) (2) of the Internal Revenue Code of 1986, as amended, and pay
7 the contribution which the member is required by law to make to the
8 System for all compensation earned after December 31, 1988.

9 Although the contributions so picked up are designated as member
10 contributions, such contributions shall be treated as contributions
11 being paid by the municipality in lieu of contributions by the
12 member in determining tax treatment under the Internal Revenue Code
13 of 1986, as amended, and such picked up contributions shall not be
14 includable in the gross income of the member until such amounts are
15 distributed or made available to the member or the beneficiary of
16 the member. The member, by the terms of this System, shall not have
17 any option to choose to receive the contributions so picked up
18 directly and the picked up contributions must be paid by the
19 municipality to the System.

20 Member contributions which are picked up shall be treated in the
21 same manner and to the same extent as member contributions made
22 prior to the date on which member contributions were picked up by
23 the municipality. Member contributions so picked up shall be
24 included in salary for purposes of the System.

1 The municipality shall pay the member contributions from the
2 same source of funds used in paying salary to the member, by
3 effecting an equal cash reduction in gross salary of the member, or
4 by an offset against future salary increases, or by a combination of
5 reduction in gross salary and offset against future salary
6 increases.

7 The treasurer of each municipality shall deduct the picked up
8 contributions from the salary of each paid member of the fire
9 department. The treasurer of the municipality shall deposit monthly
10 in the System the amount picked up from the salary of each member of
11 the fire department.

12 B. Each municipality having a paid member of a fire department
13 shall deposit monthly with the State Board an amount equal to the
14 following:

15 1. Prior to July 1, 1991, ten percent (10%) of the total actual
16 paid gross salaries of the members of the fire department;

17 2. Beginning July 1, 1991 through June 30, 1992, ten and one-
18 half percent (10 1/2%) of the total actual paid gross salaries of
19 the members of the fire department;

20 3. Beginning July 1, 1992 through June 30, 1993, eleven percent
21 (11%) of the total actual paid gross salaries of the members of the
22 fire department;

1 4. Beginning July 1, 1993 through June 30, 1994, eleven and
2 one-half percent (11 1/2%) of the total actual paid gross salaries
3 of the members of the fire department;

4 5. Beginning July 1, 1994 through June 30, 1995, twelve percent
5 (12%) of the total actual paid gross salaries of the members of the
6 fire department;

7 6. Beginning July 1, 1995 through June 30, 1996, twelve and
8 one-half percent (12 1/2%) of the total actual paid gross salaries
9 of the members of the fire department;

10 7. Beginning July 1, 1996, thirteen percent (13%) of the total
11 actual paid gross salaries of the members of the fire department;
12 ~~and~~

13 8. Beginning November 1, 2013, fourteen percent (14%) of the
14 total actual paid gross salaries of the members of the fire
15 department; and

16 9. Beginning on the effective date of this act, a minimum of
17 fourteen percent (14%) of the actual paid base salary of each member
18 of the System employed by the municipality.

19 C. Each county or municipality having a volunteer member of a
20 fire department shall deposit yearly with the State Board Sixty
21 Dollars (\$60.00) for each volunteer member of the department.

22 Provided, the above-mentioned volunteer county or municipal
23 contributions shall be reevaluated by the next scheduled actuarial
24 study and the amounts adjusted so that in a nine-year period of

1 time, the amounts would reflect the actuarial recommendations at
2 that time. Any county or municipality with an income of less than
3 Twenty-five Thousand Dollars (\$25,000.00) to its general fund during
4 a fiscal year shall be exempt from the provisions of this
5 subsection.

6 Any municipality that fails to comply with the provisions of
7 this section shall not be entitled to its proportionate share of the
8 Motor Fuel Excise Tax which is received through the Oklahoma Tax
9 Commission. Any county or municipality may exceed the amount of
10 contribution required by this section.

11 The provisions of this section shall supersede any city charter
12 provision in direct conflict with this section.

13 SECTION 6. If the Emergency Clause is not approved pursuant to
14 the requirements of the Oklahoma Constitution as part of this
15 measure, the effective date of Section 1 of this act shall be
16 October 1, 2026.

17 SECTION 7. If the Emergency Clause is not approved pursuant to
18 the requirements of the Oklahoma Constitution as part of this
19 measure, the effective date of Sections 2 through 5 of this act
20 shall be November 1, 2026.

21 SECTION 8. Except as otherwise provided by Section 6 of this
22 act, Section 1 of this act shall become effective immediately upon
23 signature by the Governor or as otherwise provided by Section 58 of
24 Article V of the Oklahoma Constitution.

1 SECTION 9. Except as otherwise provided by Section 7 of this
2 act, Sections 2 through 5 of this act shall become effective July 1,
3 2026.

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

8
9 60-2-15342 CMA 01/08/26
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THOMAS E. CUMMINS CONSULTING ACTUARY, INC.
2512 E. 71st Street , Suite D • Tulsa, Oklahoma 74136
(918) 492-9658 • (918) 492- 9659

January 14, 2026

Representative Kannady
Room 240

Re: RBH No. 15342

RBH No. 15342 would increase benefits for firefighters.

If a firefighter retires 1 year after the effective date of this bill the benefit multiplier is 3% per year provided the firefighter has at least 25 years of credited service.

If a firefighter retires 2 years after the effective date of this bill the benefit multiplier is 3% per year provided the firefighter has at least 20 years of credited service.

If a firefighter retires 5 years after the effective date of this bill the benefit multiplier is 3% per year.

If a firefighter retires without the minimum of 20 years of service the multiplier is 2.5% per year pf service.

OPLAAA is amended to define the above change to non fiscal.

RBH No. 15342 is a non fiscal bill as defined by 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