

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2116 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Mike Lay

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

PROPOSED POLICY
COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2116

By: Lay

PROPOSED POLICY COMMITTEE SUBSTITUTE

An Act relating to public retirement systems; amending 47 O.S. 2021, Section 2-300, as last amended by Section 1, Chapter 361, O.S.L. 2024 (47 O.S. Supp. 2024, Section 2-300), which relates to the Oklahoma Law Enforcement Retirement System; modifying term; providing for participation of certain new employees of certain agency in the Oklahoma Law Enforcement Retirement System; authorizing certain members to make election to participate in the Oklahoma Law Enforcement Retirement System; providing for purchase of certain amount of service credit at actuarial cost; providing for payment; directing the Oklahoma Public Employees Retirement System to transfer credited service upon request; providing that member shall forfeit all rights with respect to certain credited service; providing for codification; and providing an effective date.

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

1 SECTION 1. AMENDATORY 47 O.S. 2021, Section 2-300, as
2 last amended by Section 1, Chapter 361, O.S.L. 2024 (47 O.S. Supp.
3 2024, Section 2-300), is amended to read as follows:

4 Section 2-300. As used in Section 2-300 et seq. of this title:

5 1. "System" means the Oklahoma Law Enforcement Retirement
6 System;

7 2. "Act" means Section 2-300 et seq. of this title;

8 3. "Board" means the Oklahoma Law Enforcement Retirement Board
9 of the System;

10 4. "Executive Director" means the managing officer of the
11 System employed by the Board;

12 5. "Fund" means the Oklahoma Law Enforcement Retirement Fund;

13 6. "Participating employer" means any Oklahoma entity with one
14 or more employees who are members of the System;

15 7. a. "Member" means:

16 (1) all commissioned law enforcement officers of the
17 Oklahoma Highway Patrol Division of the
18 Department of Public Safety who have obtained
19 certification from the Council on Law Enforcement
20 Education and Training, and all cadets of a
21 Patrol Academy of the Department of Public
22 Safety,

23 (2) law enforcement officers and criminalists of the
24 Oklahoma State Bureau of Investigation,

- 1 (3) law enforcement officers of the Oklahoma State
2 Bureau of Narcotics and Dangerous Drugs Control
3 designated to perform duties in the investigation
4 and prevention of crime and the enforcement of
5 the criminal laws of this state,
- 6 (4) law enforcement officers of the Alcoholic
7 Beverage Laws Enforcement Commission designated
8 to perform duties in the investigation and
9 prevention of crime and the enforcement of the
10 criminal laws of this state,
- 11 (5) employees of the Communications Section of the
12 Oklahoma Highway Patrol Division, radio
13 technicians and tower technicians of the
14 Department of Public Safety, who are employed in
15 any such capacity as of June 30, 2008, and who
16 remain employed on or after July 1, 2008, until a
17 termination of service, or until a termination of
18 service with an election of a vested benefit from
19 the System, or until retirement. Effective July
20 1, 2008, a person employed for the first time as
21 an employee of the Department of Public Safety in
22 the Communications Division as an information
23 systems telecommunication technician of the
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1 Department of Public Safety shall not be a member
2 of the System,

3 (6) park rangers of the Oklahoma Tourism and
4 Recreation Department and any park manager or
5 park supervisor of the Oklahoma Tourism and
6 Recreation Department, who was employed in such a
7 position prior to July 1, 1985, and who elects on
8 or before September 1, 1996, to participate in
9 the System,

10 (7) inspectors of the State Board of Pharmacy, ~~and~~

11 (8) active commissioned or CLEET-certified agents
12 hired by the Office of the Attorney General or
13 the Military Department of the State of Oklahoma
14 on or after ~~the effective date of this act~~ July
15 1, 2024, and

16 (9) active commissioned or CLEET-certified officers
17 hired by the Office of the State Fire Marshal
18 hired on or after the effective date of this act.

19 b. Effective July 1, 1987, a member does not include a
20 "leased employee" as defined under Section 414(n)(2)
21 of the Internal Revenue Code of 1986, as amended.
22 Effective July 1, 1999, any individual who agrees with
23 the participating employer that the individual's
24 services are to be performed as a leased employee or

1 an independent contractor shall not be a member
2 regardless of any classification as a common-law
3 employee by the Internal Revenue Service or any other
4 governmental agency, or any court of competent
5 jurisdiction.

6 c. All persons offered a position described in
7 subparagraph a of this paragraph shall participate in
8 the System only upon meeting the requisite post-offer-
9 pre-employment examination standards which shall be
10 subject to the following requirements:

11 (1) all such persons shall be of good moral
12 character, free from deformities, mental or
13 physical conditions, or disease and alcohol or
14 drug addiction which would prohibit the person
15 from performing the duties of a law enforcement
16 officer,

17 (2) the physical-medical examination shall pertain to
18 age, sight, hearing, agility and other conditions
19 the requirements of which shall be established by
20 the Board,

21 (3) the person shall be required to meet the
22 conditions of this subsection prior to the
23 beginning of actual employment but after an offer
24

1 of employment has been tendered by a
2 participating employer,

3 (4) the Board shall have authority to deny or revoke
4 membership of any person submitting false
5 information in such person's membership
6 application, and

7 (5) the Board shall have final authority in
8 determining eligibility for membership in the
9 System, pursuant to the provisions of this
10 subsection;

11 8. "Normal retirement date" means the date at which the member
12 is eligible to receive the unreduced payments of the member's
13 accrued retirement benefit. Such date shall be the first day of the
14 month coinciding with or following the date the member:

- 15 a. completes twenty (20) years of vesting service, or
16 b. attains sixty-two (62) years of age with ten (10)
17 years of vesting service, or
18 c. attains sixty-two (62) years of age, if:

19 (1) the member has been transferred to this System
20 from the Oklahoma Public Employees Retirement
21 System on or after July 1, 1981, and

22 (2) the member would have been vested had the member
23 continued to be a member of the Oklahoma Public
24 Employees Retirement System.

1 With respect to distributions under the System made for calendar
2 years beginning on or after January 1, 2005, the System shall apply
3 the minimum distribution incidental benefit requirements, incidental
4 benefit requirements, and minimum distribution requirements of
5 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
6 in accordance with the final regulations under Section 401(a)(9) of
7 the Internal Revenue Code of 1986, as amended, including Treasury
8 Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided,
9 that for individuals who attain seventy and one-half (70 1/2) years
10 of age after December 31, 2019, but before January 1, 2023, such
11 distributions shall take into account that "age 70 1/2" was stricken
12 and "age 72" was inserted in Sections 401(a)(9)(B)(iv)(I),
13 401(a)(9)(C)(i)(I) and 401(a)(9)(C)(ii)(I) of the Internal Revenue
14 Code of 1986, as amended, and, provided further, that for
15 individuals who attain seventy-two (72) years of age after December
16 31, 2022, such distributions shall take into account that "age 72"
17 was stricken and "the applicable age", as defined in Section
18 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended,
19 was inserted in Section 401(a)(9)(B)(iv)(I), Section
20 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal
21 Revenue Code of 1986, as amended, in all cases notwithstanding any
22 provision of the System to the contrary. With respect to
23 distributions under the System made for calendar years beginning on
24 or after January 1, 2001, through December 31, 2004, the System

1 shall apply the minimum distribution requirements and incidental
2 benefit requirements of Section 401(a) (9) of the Internal Revenue
3 Code of 1986, as amended, in accordance with the regulations under
4 Section 401(a) (9) of the Internal Revenue Code of 1986, as amended,
5 which were proposed in January 2001, notwithstanding any provision
6 of the System to the contrary.

7 Effective July 1, 1989, notwithstanding any other provision
8 contained herein to the contrary, in no event shall commencement of
9 distribution of the accrued retirement benefit of a member be
10 delayed beyond April 1 of the calendar year following the later of:
11 (1) the calendar year in which the member reaches seventy and one-
12 half (70 1/2) years of age for a member who attains this age before
13 January 1, 2020, or, for a member who attains this age on or after
14 January 1, 2020, but before January 1, 2023, the calendar year in
15 which the member reaches seventy-two (72) years of age, or effective
16 for distributions required to be made after December 31, 2022, the
17 calendar year in which the member reaches seventy-three (73) years
18 of age for an individual who attains age seventy-two (72) after
19 December 31, 2022, or "the applicable age", as defined in Section
20 401(a) (9) (C) (v) of the Internal Revenue Code of 1986, as amended, if
21 later; or (2) the actual retirement date of the member. A member
22 electing to defer the commencement of retirement benefits pursuant
23 to Section 2-308.1 of this title may not defer the benefit
24 commencement beyond the age of sixty-five (65).

1 Effective September 8, 2009, notwithstanding anything to the
2 contrary of the System, the System, which as a governmental plan
3 (within the meaning of Section 414(d) of the Internal Revenue Code
4 of 1986, as amended), is treated as having complied with Section
5 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all
6 years to which Section 401(a)(9) of the Internal Revenue Code of
7 1986, as amended, applies to the System if the System complies with
8 a reasonable and good faith interpretation of Section 401(a)(9) of
9 the Internal Revenue Code of 1986, as amended.

10 A member who was required to join the System effective July 1,
11 1980, because of the transfer of the employing agency from the
12 Oklahoma Public Employees Retirement System to the System, and was
13 not a member of the Oklahoma Public Employees Retirement System on
14 the date of such transfer shall be allowed to receive credit for
15 prior law enforcement service rendered to this state, if the member
16 is not receiving or eligible to receive retirement credit or
17 benefits for such service in any other public retirement system,
18 upon payment to the System of the employee contribution the member
19 would have been subject to had the member been a member of the
20 System at the time, plus five percent (5%) interest. Service credit
21 received pursuant to this paragraph shall be used in determining the
22 member's retirement benefit, and shall be used in determining years
23 of service for retirement or vesting purposes;

1 9. "Actual paid base salary" means the salary received by a
2 member, excluding payment for any accumulated leave or uniform
3 allowance. Salary shall include any amount of nonelective salary
4 reduction under Section 414(h) of the Internal Revenue Code of 1986;

5 10. "Final average salary" means the average of the highest
6 thirty (30) consecutive complete months of actual paid gross salary.
7 Gross salary shall include any amount of elective salary reduction
8 under Section 457 of the Internal Revenue Code of 1986, as amended,
9 and any amount of nonelective salary reduction under Section 414(h)
10 of the Internal Revenue Code of 1986, as amended. Effective July 1,
11 1992, gross salary shall include any amount of elective salary
12 reduction under Section 125 of the Internal Revenue Code of 1986, as
13 amended. Effective July 1, 1998, gross salary shall include any
14 amount of elective salary reduction not includable in the gross
15 income of the member under Section 132(f)(4) of the Internal Revenue
16 Code of 1986, as amended. Effective July 1, 1998, for purposes of
17 determining a member's compensation, any contribution by the member
18 to reduce his or her regular cash remuneration under Section
19 132(f)(4) of the Internal Revenue Code of 1986, as amended, shall be
20 treated as if the member did not make such an election. Only salary
21 on which required contributions have been made may be used in
22 computing the final average salary. Gross salary shall not include
23 severance pay.

1 In addition to other applicable limitations, and notwithstanding
2 any other provision to the contrary, for plan years beginning on or
3 after July 1, 2002, the annual gross salary of each "Noneligible
4 Member" taken into account under the System shall not exceed the
5 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")
6 annual salary limit. The EGTRRA annual salary limit is Two Hundred
7 Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for
8 increases in the cost of living in accordance with Section
9 401(a)(17)(B) of the Internal Revenue Code of 1986, as amended. The
10 annual salary limit in effect for a calendar year applies to any
11 period, not exceeding twelve (12) months, over which salary is
12 determined ("determination period") beginning in such calendar year.
13 If a determination period consists of fewer than twelve (12) months,
14 the EGTRRA salary limit will be multiplied by a fraction, the
15 numerator of which is the number of months in the determination
16 period, and the denominator of which is twelve (12). For purposes
17 of this section, a "Noneligible Member" is any member who first
18 became a member during a plan year commencing on or after July 1,
19 1996.

20 For plan years beginning on or after July 1, 2002, any reference
21 in the System to the annual salary limit under Section 401(a)(17) of
22 the Internal Revenue Code of 1986, as amended, shall mean the EGTRRA
23 salary limit set forth in this provision.
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1 Effective January 1, 2008, gross salary for a plan year shall
2 also include gross salary, as described above, for services, but
3 paid by the later of two and one-half (2 1/2) months after a
4 member's severance from employment or the end of the calendar year
5 that includes the date the member terminated employment, if it is a
6 payment that, absent a severance from employment, would have been
7 paid to the member while the member continued in employment with the
8 employer.

9 Effective January 1, 2008, any payments not described above
10 shall not be considered gross salary if paid after severance from
11 employment, even if they are paid by the later of two and one-half
12 (2 1/2) months after the date of severance from employment or the
13 end of the calendar year that includes the date of severance from
14 employment, except payments to an individual who does not currently
15 perform services for the employer by reason of qualified military
16 service within the meaning of Section 414(u)(5) of the Internal
17 Revenue Code of 1986, as amended, to the extent these payments do
18 not exceed the amounts the individual would have received if the
19 individual had continued to perform services for the employer rather
20 than entering qualified military service.

21 Effective January 1, 2008, back pay, within the meaning of
22 Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be
23 treated as gross salary for the limitation year to which the back
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1 pay relates to the extent the back pay represents wages and
2 compensation that would otherwise be included in this definition.

3 Effective for years beginning after December 31, 2008, gross
4 salary shall also include differential wage payments under Section
5 414(u) (12) of the Internal Revenue Code of 1986, as amended;

6 11. "Credited service" means the period of service used to
7 determine the amount of benefits payable to a member. Credited
8 service shall consist of the period during which the member
9 participated in the System or the predecessor Plan as an active
10 employee in an eligible membership classification, plus any service
11 prior to the establishment of the predecessor Plan which was
12 credited under the predecessor Plan and for law enforcement officers
13 and criminalists of the Oklahoma State Bureau of Investigation and
14 the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control
15 who became members of the System on July 1, 1980, any service
16 credited under the Oklahoma Public Employees Retirement System as of
17 June 30, 1980, and for members of the Communications and Lake Patrol
18 Divisions of the Oklahoma Department of Public Safety, who became
19 members of the System on July 1, 1981, any service credited under
20 the predecessor Plan or the Oklahoma Public Employees Retirement
21 System as of June 30, 1981, and for law enforcement officers of the
22 Alcoholic Beverage Laws Enforcement Commission who became members of
23 the System on July 1, 1982, any service credited under the Oklahoma
24 Public Employees Retirement System as of June 30, 1982, and for park

1 rangers of the Oklahoma Tourism and Recreation Department who became
2 members of the System on July 1, 1985, any service credited under
3 the Oklahoma Public Employees Retirement System as of June 30, 1985,
4 and for inspectors of the State Board of Pharmacy who became members
5 of the System on July 1, 1986, any service credited under the
6 Oklahoma Public Employees Retirement System as of June 30, 1986, for
7 law enforcement officers of the Oklahoma Capitol Patrol Division of
8 the Department of Public Safety who became members of the System
9 effective July 1, 1993, any service credited under the Oklahoma
10 Public Employees Retirement System as of June 30, 1993, and for all
11 commissioned officers in the Gunsmith/Ammunition Reloader Division
12 of the Department of Public Safety who became members of the System
13 effective July 1, 1994, any service credited under the Oklahoma
14 Public Employees Retirement System as of June 30, 1994, and for the
15 park managers or park supervisors of the Oklahoma Tourism and
16 Recreation Department who were employed in such a position prior to
17 July 1, 1985, and who elect to become members of the System
18 effective September 1, 1996, any service transferred pursuant to
19 subsection C of Section 2-309.6 of this title and any service
20 purchased pursuant to subsection B of Section 2-307.2 of this title.
21 Effective August 5, 1993, an authorized leave of absence shall
22 include a period of absence pursuant to the Family and Medical Leave
23 Act of 1993;

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1 12. "Disability" means a physical or mental condition which, in
2 the judgment of the Board, totally and presumably permanently
3 prevents the member from engaging in the usual and customary duties
4 of the occupation of the member and thereafter prevents the member
5 from performing the duties of any occupation or service for which
6 the member is qualified by reason of training, education or
7 experience. A person is not under a disability when capable of
8 performing a service to the employer, regardless of occupation,
9 providing the salary of the employee is not diminished thereby;

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

13 14. "Line of duty" means any action which a member whose
14 primary function is crime control or reduction or enforcement of the
15 criminal law is obligated or authorized by rule, regulations,
16 condition of employment or service, or law to perform including
17 those social, ceremonial or athletic functions to which the member
18 is assigned, or for which the member is compensated, by the agency
19 the member serves;

20 15. "Personal injury" or "injury" means any traumatic injury as
21 well as diseases which are caused by or result from such an injury,
22 but not occupational diseases;

23 16. "Catastrophic nature" means consequences of an injury that
24 permanently prevent an individual from performing any gainful work;

1 17. "Traumatic injury" means a wound or a condition of the body
2 caused by external force including injuries inflicted by bullets,
3 explosives, sharp instruments, blunt objects or other physical
4 blows, chemicals, electricity, climatic conditions, infectious
5 diseases, radiation and bacteria, but excluding stress and strain;
6 and

7 18. "Beneficiary" means the individual designated by the member
8 on a beneficiary designation form supplied by the Oklahoma Law
9 Enforcement Retirement System, or, if there is no designated
10 beneficiary or if the designated beneficiary predeceases the member,
11 the estate of the member. If the member's spouse is not designated
12 as the sole primary beneficiary, the member's spouse must sign a
13 consent.

14 SECTION 2. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2-309.11 of Title 47, unless
16 there is created a duplication in numbering, reads as follows:

17 A. Commissioned or CLEET-certified officers of the Office of
18 the State Fire Marshal who are hired on or after November 1, 2025,
19 shall participate in and make contributions to the Oklahoma Law
20 Enforcement Retirement System as other participating employers and
21 members of the System. Such employees shall not make contributions
22 to any plan offered by the Oklahoma Public Employees Retirement
23 System, other than the Oklahoma State Employees Deferred
24 Compensation Plan and the Oklahoma State Employees Deferred Savings

1 Incentive Plan. The Office of the State Fire Marshal shall be a
2 participating employer in the Oklahoma Law Enforcement Retirement
3 System for all Office of the State Fire Marshal commissioned or
4 CLEET-certified officers who participate in the Oklahoma Law
5 Enforcement Retirement System pursuant to the provisions of this
6 section.

7 B. Beginning November 1, 2025, a commissioned or CLEET-
8 certified officer who is employed by the Office of the State Fire
9 Marshal and who is a member of the Oklahoma Public Employees
10 Retirement System may elect to become a member of the Oklahoma Law
11 Enforcement Retirement System prior to November 30, 2025. A member
12 who makes such an election may receive up to five (5) years of
13 credited service accumulated by the member while a member of the
14 Oklahoma Public Employees Retirement System if the member is not
15 receiving or eligible to receive retirement credit or benefits from
16 said service. The member shall decide the number of years of
17 credited service, not to exceed five (5) years, to purchase. The
18 Law Enforcement Retirement Board shall determine the amount for the
19 purchase pursuant to Section 2-307.5 of Title 47 of the Oklahoma
20 Statutes. The amount may be paid through a trustee-to-trustee
21 transfer to the Oklahoma Law Enforcement Retirement System from the
22 Oklahoma Public Employees Retirement System, or through payments
23 made by the member. The transferred credited service of the member
24 from the Oklahoma Public Employees Retirement System pursuant to

1 this section shall not alter the member's normal retirement date or
2 vesting requirements. The transferred credited service will be
3 added after the member reaches normal retirement date or vesting
4 date.

5 C. The Oklahoma Public Employees Retirement System shall
6 transfer credited service to the Oklahoma Law Enforcement Retirement
7 System upon request of former members. Upon transfer, the former
8 member shall have forfeited all rights in the Oklahoma Public
9 Employees Retirement System with respect to the credited service
10 transferred pursuant to this section.

11 SECTION 3. This act shall become effective November 1, 2025.

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