

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 60th Legislature (2026)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1268

By: Hays of the House

and

Weaver of the Senate

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10  
11 COMMITTEE SUBSTITUTE

12 An Act relating to retirement; amending 62 O.S. 2021,  
13 Section 3103, as last amended by Section 2, Chapter  
14 361, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103),  
15 which relates to the Oklahoma Pension Legislation  
16 Actuarial Analysis Act; modifying terms; authorizing  
17 certain members to participate in the Oklahoma Public  
18 Employees Deferred Option Plan; providing that  
19 creditable service shall include service credit;  
20 providing requirements and specifications of plan;  
21 providing for the cessation of employee  
22 contributions; directing that employer contributions  
23 shall continue; providing that member is eligible for  
24 cost of living adjustments; providing for payment  
from the account; providing limit for commencement of  
distribution; providing procedure if the participant  
dies; providing for codification; and providing  
effective dates.

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

1 SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as  
2 last amended by Section 2, Chapter 361, O.S.L. 2024 (62 O.S. Supp.  
3 2025, Section 3103), is amended to read as follows:

4 Section 3103. As used in the Oklahoma Pension Legislation  
5 Actuarial Analysis Act:

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

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

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

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

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

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

- 1 Statutes if the members were unable to complete twenty  
2 (20) years of service as a result of the disability,  
3 e. which requires membership in the defined benefit plan  
4 authorized by Section 901 et seq. of Title 74 of the  
5 Oklahoma Statutes for persons whose first elected or  
6 appointed service occurs on or after November 1, 2018,  
7 if such persons had any prior service in the Oklahoma  
8 Public Employees Retirement System prior to November  
9 1, 2015,
- 10 f. which provides for a one-time increase in retirement  
11 benefits if the increase in retirement benefits is not  
12 a permanent increase in the gross annual retirement  
13 benefit payable to a member or beneficiary, occurs  
14 only once pursuant to a single statutory authorization  
15 and does not exceed:
- 16 (1) the lesser of two percent (2%) of the gross  
17 annual retirement benefit of the member or One  
18 Thousand Dollars (\$1,000.00) and requires that  
19 the benefit may only be provided if the funded  
20 ratio of the affected retirement system would not  
21 be less than sixty percent (60%) but not greater  
22 than eighty percent (80%) after the benefit  
23 increase is paid,  
24

- 1 (2) the lesser of two percent (2%) of the gross  
2 annual retirement benefit of the member or One  
3 Thousand Two Hundred Dollars (\$1,200.00) and  
4 requires that the benefit may only be provided if  
5 the funded ratio of the affected retirement  
6 system would be greater than eighty percent (80%)  
7 but not greater than one hundred percent (100%)  
8 after the benefit increase is paid,
- 9 (3) the lesser of two percent (2%) of the gross  
10 annual retirement benefit of the member or One  
11 Thousand Four Hundred Dollars (\$1,400.00) and  
12 requires that the benefit may only be provided if  
13 the funded ratio of the affected retirement  
14 system would be greater than one hundred percent  
15 (100%) after the benefit increase is paid, or
- 16 (4) the greater of two percent (2%) of the gross  
17 annual retirement benefit of the volunteer  
18 firefighter or One Hundred Dollars (\$100.00) for  
19 persons who retired from the Oklahoma  
20 Firefighters Pension and Retirement System as  
21 volunteer firefighters and who did not retire  
22 from the Oklahoma Firefighters Pension and  
23 Retirement System as a paid firefighter.  
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1 As used in this subparagraph, "funded ratio" means the  
2 figure derived by dividing the actuarial value of  
3 assets of the applicable retirement system by the  
4 actuarial accrued liability of the applicable  
5 retirement system,

6 g. which modifies the disability pension standard for  
7 police officers who are members of the Oklahoma Police  
8 Pension and Retirement System as provided by Section  
9 50-115 of Title 11 of the Oklahoma Statutes,

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

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

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

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

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

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

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

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- 1 i. which modifies the computation of the line-of-duty  
2 disability benefit pursuant to the provisions of this  
3 section and Sections 50-101 and 50-115 of Title 11 of  
4 the Oklahoma Statutes, ~~or~~
- 5 j. which authorizes membership in the Oklahoma Law  
6 Enforcement Retirement System for active commissioned  
7 or CLEET-certified agents of the Office of the  
8 Attorney General or the Military Department of the  
9 State of Oklahoma pursuant to Sections ~~3~~ 2-309.9 and 4  
10 2-309.10 of ~~this act~~ Title 47 of the Oklahoma  
11 Statutes, or
- 12 k. which authorizes certain licensed emergency personnel  
13 to participate in the Oklahoma Public Employees  
14 Deferred Option Plan pursuant to Section 2 of this  
15 act.

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

23 6. "Reduction-in-cost amendment" means an amendment to a  
24 retirement bill having a fiscal impact which reduces the cost of the

1 bill as such cost is determined by the actuarial investigation for  
2 the bill prepared pursuant to Section 3109 of this title;

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

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

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

20 SECTION 2. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 914.1 of Title 74, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. In lieu of terminating employment and accepting a service  
24 retirement pension pursuant to Section 914 of this title, licensed

1 emergency medical personnel, as defined pursuant to Section 1-2503  
2 of Title 63 of the Oklahoma Statutes, holding a license issued by  
3 the State Department of Health pursuant to Section 1-2505 of Title  
4 63 of the Oklahoma Statutes, including emergency medical responders,  
5 emergency medical technicians, intermediate emergency medical  
6 technicians, advanced emergency medical technicians, and paramedics  
7 employed by any participating employer of the Oklahoma Public  
8 Employees Retirement System as a licensed emergency medical  
9 personnel and deputy sheriffs and county jailers employed by any  
10 county that is a participating employer of the Oklahoma Public  
11 Employees Retirement System who has not less than twenty (20) years  
12 of creditable service and who is eligible to receive a service  
13 retirement pension may make an irrevocable election to participate  
14 in the Oklahoma Public Employees Deferred Option Plan and defer the  
15 receipts of benefits in accordance with the provisions of this  
16 section.

17 B. For purposes of this section, creditable service shall  
18 include service credit reciprocally recognized pursuant to Section  
19 901 et seq. of this title but for eligibility purposes only.

20 C. The duration of participation in the Oklahoma Public  
21 Employees Deferred Option Plan for a member shall not exceed five  
22 (5) years. Participation in the Oklahoma Public Employees Deferred  
23 Option Plan must begin the first day of a month and end on the last  
24 day of a month. At the conclusion of a member's participation in

1 the Oklahoma Public Employees Deferred Option Plan, the member shall  
2 terminate employment with all participating employers or  
3 participating municipalities, and shall start receiving the member's  
4 accrued monthly retirement benefit from the System. Such a member  
5 may receive in-service distributions of such member's accrued  
6 monthly retirement benefit from the System if such member is  
7 reemployed by a participating employer only if such reemployment is  
8 in a position not covered under the System.

9 D. When a member begins participation in the Oklahoma Public  
10 Employees Deferred Option Plan, the contribution of the employee  
11 shall cease. The employer contributions shall continue to be paid  
12 in accordance with Section 920 or 920A of this title. Municipal  
13 contributions for employees who elect the Oklahoma Public Employees  
14 Deferred Option Plan shall be credited equally to the Oklahoma  
15 Public Employees Retirement System and to the Oklahoma Public  
16 Employees Deferred Option Plan. The monthly retirement benefits  
17 that would have been payable had the member elected to cease  
18 employment and receive a service retirement shall be paid into the  
19 Oklahoma Public Employees Deferred Option Plan account.

20 E. A member who participates in this plan shall be eligible to  
21 receive cost of living increases.

22 F. A participant in the Oklahoma Public Employees Deferred  
23 Option Plan shall receive, at the option of the participant:

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1       1. A lump sum payment from the account equal to the option  
2 account balance of the participant, payable to the participant;

3       2. A lump sum payment from the account equal to the option  
4 account balance of the participant, payable to the annuity provider  
5 which shall be selected by the participant as a result of the  
6 research and investigation of the participant; or

7       3. Any other method of payment if approved by the Oklahoma  
8 Public Employees Retirement System Board of Trustees.

9       Notwithstanding any other provision contained herein to the  
10 contrary, commencement of distributions under the Oklahoma Public  
11 Employees Deferred Option Plan shall be no later than the actual  
12 retirement date of the member.

13       G. If the participant dies during the period of participation  
14 in the Oklahoma Public Employees Deferred Option Plan, a lump sum  
15 payment equal to the account balance of the participant shall be  
16 paid to the recipients, which may include a trust, properly  
17 designated in writing by the participant or, if none, to the  
18 surviving spouse who was married to the participant for the thirty  
19 (30) continuous months immediately preceding the death of the  
20 participant; provided, a surviving spouse of a participant who died  
21 in, and as a consequence of, the performance of the participant's  
22 duty for a participating municipality shall not be subject to the  
23 thirty-month marriage requirement for survivor benefits or, if no  
24 surviving spouse, to the estate of the participant.

1 SECTION 3. Section 1 of this act shall become effective October  
2 1, 2026.

3 SECTION 4. Section 2 of this act shall become effective  
4 November 1, 2026.

5  
6 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated  
7 02/25/2026 - DO PASS, As Amended

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