

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 4263

By: Johns

AS INTRODUCED

An Act relating to public retirement systems; amending 62 O.S. 2021, Section 3103, as last amended by Section 127, Chapter 452, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; amending 70 O.S. 2021, Section 17-103, as amended by Section 2, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2025, Section 17-103), which relates to membership; modifying provisions related to certain employees of the Department of Career and Technology Education; and providing effective dates.

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 127, Chapter 452, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), is amended to read as follows:

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

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

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

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

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

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

- 16 a. which does not affect the cost or funding factors of a
17 retirement system,
18 b. which affects such factors only in a manner which does
19 not:
20 (1) grant a benefit increase under the retirement
21 system affected by the bill,
22 (2) create an actuarial accrued liability for or
23 increase the actuarial accrued liability of the
24 retirement system affected by the bill, or

- 1 (3) increase the normal cost of the retirement system
2 affected by the bill,
- 3 c. which authorizes the purchase by an active member of
4 the retirement system, at the actuarial cost for the
5 purchase as computed pursuant to the statute in effect
6 on the effective date of the measure allowing such
7 purchase, of years of service for purposes of reaching
8 a normal retirement date in the applicable retirement
9 system, but which cannot be used in order to compute
10 the number of years of service for purposes of
11 computing the retirement benefit for the member,
- 12 d. which provides for the computation of a service-
13 connected disability retirement benefit for members of
14 the Oklahoma Law Enforcement Retirement System
15 pursuant to Section 2-305 of Title 47 of the Oklahoma
16 Statutes if the members were unable to complete twenty
17 (20) years of service as a result of the disability,
- 18 e. which requires membership in the defined benefit plan
19 authorized by Section 901 et seq. of Title 74 of the
20 Oklahoma Statutes for persons whose first elected or
21 appointed service occurs on or after November 1, 2018,
22 if such persons had any prior service in the Oklahoma
23 Public Employees Retirement System prior to November
24 1, 2015,

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

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

15 (2) the lesser of two percent (2%) of the gross
16 annual retirement benefit of the member or One
17 Thousand Two Hundred Dollars (\$1,200.00) and
18 requires that the benefit may only be provided if
19 the funded ratio of the affected retirement
20 system would be greater than eighty percent (80%)
21 but not greater than one hundred percent (100%)
22 after the benefit increase is paid,

23 (3) the lesser of two percent (2%) of the gross
24 annual retirement benefit of the member or One

1 Thousand Four Hundred Dollars (\$1,400.00) and
2 requires that the benefit may only be provided if
3 the funded ratio of the affected retirement
4 system would be greater than one hundred percent
5 (100%) after the benefit increase is paid, or
6 (4) the greater of two percent (2%) of the gross
7 annual retirement benefit of the volunteer
8 firefighter or One Hundred Dollars (\$100.00) for
9 persons who retired from the Oklahoma
10 Firefighters Pension and Retirement System as
11 volunteer firefighters and who did not retire
12 from the Oklahoma Firefighters Pension and
13 Retirement System as a paid firefighter.

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

- 19 g. which modifies the disability pension standard for
20 police officers who are members of the Oklahoma Police
21 Pension and Retirement System as provided by Section
22 50-115 of Title 11 of the Oklahoma Statutes,
23 h. which provides a cost-of-living benefit increase
24 pursuant to the provisions of:

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

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

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

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

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

11 (6) Section 930.11 of Title 74 of the Oklahoma
12 Statutes,

13 i. which provides for the reinstatement of retirement
14 benefits for members of the Oklahoma Law Enforcement
15 Retirement System pursuant to Section 2-305 of Title
16 47 of the Oklahoma Statutes for those who were hired
17 on or after November 1, 2012, or May 24, 2013,

18 j. which authorizes the purchase of military service
19 credit as provided in Section 50-128 of Title 11,
20 Section 1102.2 of Title 20, Section 2-307.4 of Title
21 47, and Section 913.8 of Title 74 of the Oklahoma
22 Statutes,

- 1 k. which restores benefits pursuant to Sections 49-100.1,
2 49-101, 49-101.2, 49-106.1, 49-108, 49-117.1, and 49-
3 135 of Title 11 of the Oklahoma Statutes,
4 l. which modifies the computation of the line-of-duty
5 disability benefit pursuant to the provisions of this
6 act, and
7 m. which authorizes an election for certain retired
8 members of the Teachers' Retirement System of Oklahoma
9 pursuant to the provisions of Section 2 of this act.

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

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

21 7. "Retirement bill" means any bill or joint resolution
22 introduced or any bill or joint resolution amended by a member of
23 the Oklahoma Legislature which creates or amends any law directly
24 affecting a retirement system. A retirement bill shall not mean a

1 bill or resolution that impacts the revenue of any state tax in
2 which a portion of the revenue generated from such tax is earmarked
3 for the benefit of a retirement system;

4 8. "Retirement bill having a fiscal impact" means any
5 retirement bill creating or establishing a retirement system and any
6 other retirement bill other than a nonfiscal retirement bill; and

7 9. "Retirement system" means the Teachers' Retirement System of
8 Oklahoma, the Oklahoma Public Employees Retirement System, the
9 Uniform Retirement System for Justices and Judges, the Oklahoma
10 Firefighters Pension and Retirement System, the Oklahoma Police
11 Pension and Retirement System, the Oklahoma Law Enforcement
12 Retirement System, or a retirement system established after January
13 1, 2006.

14 SECTION 2. AMENDATORY 70 O.S. 2021, Section 17-103, as
15 amended by Section 2, Chapter 300, O.S.L. 2024 (70 O.S. Supp. 2025,
16 Section 17-103), is amended to read as follows:

17 Section 17-103. Except as provided in the Alternate Retirement
18 Plan for Comprehensive Universities Act, the membership of the
19 retirement system shall consist of the following:

20 A. All classified personnel shall become members of the
21 retirement system as a condition of their employment.

22 B. For the period from August 2, 1969, to June 30, 2021, all
23 full-time nonclassified optional personnel regularly employed for
24 more than one (1) year may join the Teachers' Retirement System of

Oklahoma subject to the rules and regulations adopted pursuant to the Teachers' Retirement System of Oklahoma. On or after July 1, 2021, all nonclassified optional personnel regularly employed for twenty (20) hours or more per week may join the System upon hiring or eligibility, subject to the provisions of subsection C of this section and the rules and regulations adopted by the System pursuant to Section 17-101 et seq. of this title.

C. 1. Nonclassified optional personnel shall have thirty (30) days from the initial date of hire or eligibility to make a one-time irrevocable election to opt out of participation in the System, in a manner required by the Board of Trustees. If an eligible employee fails to make an election within the thirty-day period, the eligible employee shall be deemed to participate in the System.

2. If an eligible employee elects to opt out of participation in the System, the employee shall not make any required employee contributions to the System and the employee's employer shall not make any required employer contributions to the System.

3. If an eligible nonclassified optional employee does not timely opt out of participation in the System, such an employee shall make employee contributions to the System pursuant to Section 17-116.2 of this title and the employer shall make employer contributions to the System pursuant to Section 17-108.1 of this title. Nothing in this subsection shall be construed to prohibit

1 the employer from making the contribution of the employee to the
2 System on behalf of the employee.

3 4. Nonclassified optional personnel who opt out of
4 participation in the System shall be ineligible for future
5 participation in the System; provided, however, that if such an
6 employee is hired for a classified position, he or she shall become
7 a member of the System pursuant to subsection A of this section but
8 shall not be eligible for prior service credit for service performed
9 while employed in a nonclassified position during which the employee
10 opted out of participation in the System.

11 D. The Board of Trustees may, in its discretion, deny the right
12 to become members to any class of members whose compensation is only
13 partly paid by the state, or who is serving on a temporary or other
14 than per annum basis, and it also may, in its discretion, make the
15 individual entrance into the retirement system for members in any
16 such class optional.

17 E. Should any non-vested member, in any period of six (6)
18 consecutive years after becoming a member, be absent from service
19 more than five (5) years, withdraw his or her contributions, retire
20 or die, he or she shall thereupon cease to be a member. The
21 provisions of this subsection shall not apply to any member of the
22 Teachers' Retirement System of Oklahoma who has been a member of
23 such classes of military services as may be approved by the Board of
24

1 Trustees, until a period of one and one-half (1 1/2) years from date
2 of termination of such service shall have elapsed.

3 F. Effective November 1, 2019, a retired member of the
4 Teachers' Retirement System of Oklahoma who becomes employed by the
5 State Department of Education or by the Oklahoma Department of
6 Career and Technology Education, for the first time on or after
7 November 1, 2019, shall have the option to remain a member of the
8 Teachers' Retirement System of Oklahoma subject to any applicable
9 limitations placed on retired members returning to work or may
10 choose to participate as an active member in the Oklahoma Public
11 Employees Retirement System defined benefit plan or the Oklahoma
12 Public Employees Retirement System defined contribution system,
13 whichever is applicable under the laws and rules governing those
14 systems.

15 SECTION 3. Section 1 of this act shall become effective October
16 1, 2026.

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

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20 60-2-15925 MAH 01/14/26
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THOMAS E. CUMMINS CONSULTING ACTUARY, INC.

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January 14, 2026

Representative Johns
Room 248

Re: RBH No. 15925

RBH No. 15925 would make a retired OTRS participant who becomes employed by Oklahoma Department of Career and Technology after 11/1/2019 option to remain a participant in OTRS or become a participant in OPERS 's defined benefit plan or defined contribution plan.

This bill amends OPLAAA to define the above change as non fiscal.

RBH No. 15925 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