

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1870 By: Murdock

6 AS INTRODUCED

7 An Act relating to the Oklahoma Public Employees  
8 Retirement System; amending 62 O.S. 2021, Section  
9 3103, as last amended by Section 1, Chapter 357,  
10 O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), which  
11 relates to the Oklahoma Pension Legislation Actuarial  
12 Analysis Act; modifying term; updating statutory  
language; updating statutory reference; allowing  
participating employers to enter into certain  
agreement for certain purpose; providing for  
codification; providing effective dates; and  
declaring an emergency.

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

15 SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as  
16 last amended by Section 1, Chapter 357, O.S.L. 2024 (62 O.S. Supp.  
17 2025, Section 3103), is amended to read as follows:

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

20 1. "Amendment" means any amendment, including a substitute  
21 bill, made to a retirement bill by any committee of the House or  
22 Senate, any conference committee of the House or Senate, or by the  
23 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

j. which allows the purchase of military prior service credit pursuant to the provisions of this act section and Section 49-138 of Title 11 of the Oklahoma

## Statutes,

k. which increases the computation factor used to calculate the accrued retirement benefit and normal disability benefit pursuant to Section 50-101 of Title 11 of the Oklahoma Statutes,

1. which increases the municipal contribution, employee contribution, or both for members of the Oklahoma Police Pension and Retirement System pursuant to Sections 50-109 and 50-110 of Title 11 of the Oklahoma Statutes, or
- m. which modifies the computation of a retirement annuity pursuant to Section 50-111.1 of Title 11 of the Oklahoma Statutes, or
- n. which allows a municipality currently participating in the Oklahoma Public Employees Retirement System to enter into a trust agreement, as provided for in Section 2 of this act.

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;

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

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

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

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

18      SECTION 2.        NEW LAW        A new section of law to be codified  
19 in the Oklahoma Statutes as Section 910.6 of Title 74, unless there  
20 is created a duplication in numbering, reads as follows:

21      On or before December 31, 2026, participating employers of the  
22 Oklahoma Public Employees Retirement System that are municipalities  
23 with a population of two thousand (2,000) people or fewer, according  
24 to the latest Federal Decennial Census, or instrumentalities of such

1 municipalities, may choose to enter into a trust agreement, as  
2 provided for in the Interlocal Cooperation Act, to provide  
3 retirement benefits for employees, as defined in Section 902 of  
4 Title 74 of the Oklahoma Statutes, who commence employment on or  
5 after the effective date of such trust agreement.

6 SECTION 3. Section 1 of this act shall become effective June 1,  
7 2026.

8 SECTION 4. Section 2 of this act shall become effective July 1,  
9 2026.

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

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