

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1870

By: Murdock

AS INTRODUCED

An Act relating to the Oklahoma Public Employees Retirement System; amending 62 O.S. 2021, Section 3103, as last amended by Section 1, Chapter 357, O.S.L. 2024 (62 O.S. Supp. 2025, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial 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.

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 1, Chapter 357, 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
25

- 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
6 authorization, 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) 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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