

1 **SENATE FLOOR VERSION**

2 April 9, 2024

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 1824

By: May and Munson of the House

and

Stephens of the Senate

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9 [public retirement systems - Oklahoma Firefighters
10 Pension and Retirement System - Oklahoma Police
11 Pension and Retirement System - Oklahoma Law
12 Enforcement Retirement System - death benefit amounts
13 - Oklahoma Pension Legislation Actuarial Analysis Act
14 - definitions - effective dates]

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

16 SECTION 1. AMENDATORY 11 O.S. 2021, Section 49-113.2, is
17 amended to read as follows:

18 Section 49-113.2. A. Upon the death of an active or retired
19 member, the Oklahoma Firefighters Pension and Retirement System
20 shall pay to the surviving spouse of the member if the surviving
21 spouse has been married to the firefighter for thirty (30)
22 continuous months preceding the member's death provided a surviving
23 spouse of a member who died while in, or as a consequence of, the
24 performance of the member's duty for a participating municipality
shall not be subject to the marriage limitation for survivor

1 benefits, or if there is no surviving spouse or no surviving spouse
2 meeting the requirements of this section, the System shall pay to
3 the designated recipient or recipients of the member, or if there is
4 no designated recipient or if the designated recipient predeceases
5 the member, to the estate of the member, the sum of Four Thousand
6 Dollars (\$4,000.00) for those active or retired members who died
7 prior to July 1, 1999. For those active or retired members who die
8 on or after July 1, 1999, but prior to the effective date of this
9 act, the sum shall be Five Thousand Dollars (\$5,000.00). For those
10 active or retired members who die on or after the effective date of
11 this act, the sum shall be Seven Thousand Five Hundred Dollars
12 (\$7,500.00).

13 B. Upon the death of a member who dies leaving no living
14 designated recipient or having designated the member's estate as
15 recipient, the System may pay any applicable death benefit which may
16 be subject to probate, in an amount of Five Thousand Dollars
17 (\$5,000.00), to the heir or heirs of the member without the
18 intervention of a probate court or probate procedures. For a death
19 benefit paid on or after the effective date of this act pursuant to
20 this subsection, the amount of such benefit shall be Seven Thousand
21 Five Hundred Dollars (\$7,500.00).

22 C. Before any applicable probate procedure may be waived, the
23 System must be in receipt of the member's proof of death and the
24

1 following documents from those persons claiming to be the legal
2 heirs of the deceased member:

- 3 1. The member's last will and testament if available;
- 4 2. An affidavit or affidavits of heirship which must contain:
 - 5 a. the names and signatures of all claiming heirs to the
6 deceased member's estate including the claiming heirs'
7 names, relationship to the deceased member, current
8 addresses and current telephone numbers,
 - 9 b. a statement or statements by the claiming heirs that
10 no application or petition for the appointment of a
11 personal representative is pending or has been granted
12 in any jurisdiction,
 - 13 c. a statement that the value of the deceased member's
14 entire probate estate, less liens and encumbrances,
15 does not exceed the dollar limit pursuant to Section
16 393 of Title 58 of the Oklahoma Statutes, including
17 the payment of benefits from the System, and
 - 18 d. a statement by each individual claiming heir
19 identifying the amount of personal property that the
20 heir is claiming from the System or the amount the
21 heir agrees to be paid to another person, and that the
22 heir has been notified of, is aware of and consents to
23 the identified claims of all the other claiming heirs
24 of the deceased member pending with the System;

1 3. A written agreement or agreements signed by all claiming
2 heirs of the deceased member which provides that the claiming heirs
3 release, discharge and hold harmless the System from any and all
4 liability, obligations and costs which it may incur as a result of
5 making a payment to any of the deceased member's heirs;

6 4. A corroborating affidavit from an individual other than a
7 claiming heir, who was familiar with the affairs of the deceased
8 member; and

9 5. Proof that funeral and burial expenses of the deceased
10 member have been paid or provided for.

11 D. The System shall retain complete discretion in determining
12 which requests for probate waiver may be granted or denied, for any
13 reason. Should the System have any questions as to the validity of
14 any document presented by the claiming heirs, or as to any statement
15 or assertion contained therein, the probate requirements provided
16 for in Section 1 et seq. of Title 58 of the Oklahoma Statutes shall
17 not be waived.

18 E. After paying any death benefits to any claiming heirs as
19 provided pursuant to this section, the System is discharged and
20 released from any and all liability, obligation and costs to the
21 same extent as if the System had paid a personal representative
22 holding valid letters testamentary issued by a court of competent
23 jurisdiction. The System is not required to inquire into the truth
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1 of any matter specified in this section or into the payment of any
2 estate tax liability.

3 F. The provisions of this section shall not be subject to
4 qualified domestic orders as provided in subsection B of Section 49-
5 126 of this title.

6 G. 1. For purposes of this section, if a person makes a
7 qualified disclaimer with respect to the death benefit provided for
8 in subsection A of this section, this section shall apply with
9 respect to such death benefit as if the death benefit had never been
10 transferred to such person.

11 2. For purposes of this subsection, the term "qualified
12 disclaimer" means an irrevocable and unqualified refusal by a
13 person, including but not limited to the surviving spouse of the
14 deceased member, to accept an interest in the death benefit provided
15 for in subsection A of this section, but only if:

- 16 a. such refusal is in writing,
- 17 b. such writing is received by the System not later than
18 the date which is nine (9) months after the date of
19 death of the deceased member,
- 20 c. such person has not accepted the death benefit
21 provided for in subsection A of this section, and
- 22 d. as a result of such refusal, the death benefit
23 provided for in subsection A of this section passes
24 without any direction on the part of the person making

1 the disclaimer and passes first, to the organization
2 providing funeral and burial services for the deceased
3 member or, if the cost of the funeral and burial
4 services for the deceased member has already been
5 paid, to the person or persons other than the person
6 making the disclaimer as further provided for in this
7 section.

8 SECTION 2. AMENDATORY 11 O.S. 2021, Section 50-115.2, is
9 amended to read as follows:

10 Section 50-115.2. Upon the death of an active or retired
11 member, the Oklahoma Police Pension and Retirement System shall pay
12 to the beneficiary of the member under paragraph 13 of Section 50-
13 101 of this title or if there is no such beneficiary or if such
14 beneficiary predeceases the member, to the member's estate or, if
15 properly designated by the member, to a trust, the sum of Four
16 Thousand Dollars (\$4,000.00) as a death benefit for those active or
17 retired members who died prior to July 1, 1999. For those active or
18 retired members who die on or after July 1, 1999, but prior to the
19 effective date of this act, the sum shall be Five Thousand Dollars
20 (\$5,000.00). For those active or retired members who die on or
21 after the effective date of this act, the sum shall be Seven
22 Thousand Five Hundred Dollars (\$7,500.00).

23 SECTION 3. AMENDATORY 47 O.S. 2021, Section 2-306.3, is
24 amended to read as follows:

1 Section 2-306.3. Upon the death of an active or retired member,
2 the Oklahoma Law Enforcement Retirement System shall pay to the
3 designated beneficiary of the member as defined in paragraph 17 of
4 Section 2-300 of this title or if there is no such designated
5 beneficiary or if such designated beneficiary predeceases the
6 member, to the estate of the member, the sum of Four Thousand
7 Dollars (\$4,000.00) as a death benefit for those active or retired
8 members who died prior to July 1, 1999. For those active or retired
9 members who die on or after July 1, 1999, but prior to the effective
10 date of this act, the sum shall be Five Thousand Dollars
11 (\$5,000.00). For those active or retired members who die on or
12 after the effective date of this act, the sum shall be Seven
13 Thousand Five Hundred Dollars (\$7,500.00).

14 SECTION 4. AMENDATORY 62 O.S. 2021, Section 3103, as
15 last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.
16 2023, Section 3103), is amended to read as follows:

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

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

23 2. "RB number" means that number preceded by the letters "RB"
24 assigned to a retirement bill by the respective staffs of the

1 ~~Oklahoma State~~ Senate and the ~~Oklahoma~~ House of Representatives when
2 the respective staff office prepares a retirement bill for a member
3 of the Legislature;

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

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

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

14 a. which does not affect the cost or funding factors of a
15 retirement system,

16 b. which affects such factors only in a manner which does
17 not:

18 (1) grant a benefit increase under the retirement
19 system affected by the bill,

20 (2) create an actuarial accrued liability for or
21 increase the actuarial accrued liability of the
22 retirement system affected by the bill, or

23 (3) increase the normal cost of the retirement system
24 affected by the bill,

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

1 a permanent increase in the gross annual retirement
2 benefit payable to a member or beneficiary, occurs
3 only once pursuant to a single statutory authorization
4 and does not exceed:

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

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

21 (3) the lesser of two percent (2%) of the gross
22 annual retirement benefit of the member or One
23 Thousand Four Hundred Dollars (\$1,400.00) and
24 requires that the benefit may only be provided if

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

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

17 g. which modifies the disability pension standard for
18 police officers who are members of the Oklahoma Police
19 Pension and Retirement System as provided by ~~Section 3~~
20 ~~of this act~~ Section 50-115 of Title 11 of the Oklahoma
21 Statutes,

22 h. which provides a cost-of-living benefit increase
23 pursuant to the provisions of:
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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, and

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

13 i. which modifies the computation of the line-of-duty
14 disability benefit pursuant to the provisions of ~~this~~
15 ~~act~~ this section and Sections 50-101 and 50-115 of
16 Title 11 of the Oklahoma Statutes, or

17 j. which provides for an increase in the death benefit
18 for active or retired members of the Oklahoma
19 Firefighters Pension and Retirement System, Oklahoma
20 Police Pension and Retirement System, or Oklahoma Law
21 Enforcement Retirement System pursuant to Sections 1
22 through 3 of this act.

23 A nonfiscal retirement bill shall include any retirement bill that
24 has as its sole purpose the appropriation or distribution or

1 redistribution of monies in some manner to a retirement system for
2 purposes of reducing the unfunded liability of such system or the
3 earmarking of a portion of the revenue from a tax to a retirement
4 system or increasing the percentage of the revenue earmarked from a
5 tax to a retirement system;

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

10 7. "Retirement bill" means any bill or joint resolution
11 introduced or any bill or joint resolution amended by a member of
12 the ~~Oklahoma~~ Legislature which creates or amends any law directly
13 affecting a retirement system. A retirement bill shall not mean a
14 bill or resolution that impacts the revenue of any state tax in
15 which a portion of the revenue generated from such tax is earmarked
16 for the benefit of a retirement system;

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

20 9. "Retirement system" means the Teachers' Retirement System of
21 Oklahoma, the Oklahoma Public Employees Retirement System, the
22 Uniform Retirement System for Justices and Judges, the Oklahoma
23 Firefighters Pension and Retirement System, the Oklahoma Police
24 Pension and Retirement System, the Oklahoma Law Enforcement

1 Retirement System, or a retirement system established after January
2 1, 2006.

3 SECTION 5. Sections 1 through 3 of this act shall become
4 effective November 1, 2024.

5 SECTION 6. Section 4 of this act shall become effective October
6 1, 2024.

7 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
8 April 9, 2024 - DO PASS AS AMENDED BY CS

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