

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 2745

By: Ford

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems; amending 62 O.S. 2021, Section 3103, which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; amending 11 O.S. 2021, Section 50-115, which relates to disability benefit computations; modifying computation of certain disability benefit; providing for use of certain compensation amount in determining disability benefit; and providing effective dates.

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

SECTION 1. AMENDATORY 62 O.S. 2021, 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 3
22 of this act, or
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1 h. which provides a cost-of-living benefit increase
2 pursuant to the provisions of ~~Sections 2 through 7 of~~
3 ~~this act:~~

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

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

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

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

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

14 (6) Section 930.11 of Title 74 of the Oklahoma
15 Statutes.

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 Oklahoma Legislature which creates or amends any law directly
6 affecting a retirement system. A retirement bill shall not mean a
7 bill or resolution that impacts the revenue of any state tax in
8 which a portion of the revenue generated from such tax is earmarked
9 for the 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. AMENDATORY 11 O.S. 2021, Section 50-115, is
21 amended to read as follows:

22 Section 50-115. A. The State Board is authorized to pay a
23 disability benefit to a member of the System or a pension to the
24 beneficiaries of such member eligible as hereinafter provided, not

1 exceeding the accrued retirement benefit of the member, except as
2 otherwise provided in this article. Such disability benefit shall
3 be payable immediately upon determination of eligibility. Any
4 preexisting condition identified at the time of any initial or
5 subsequent membership shall be used to offset the percentage of
6 impairment to the whole person in determining any disability
7 benefit. Once the initial disability benefit has been awarded by
8 the Board on the basis of the percentage of impairment to the whole
9 person, the member shall have no further recourse to increase the
10 awarded percentage of impairment.

11 B. In order for any member to be eligible for any disability
12 benefit, or the member's beneficiaries to be eligible for a pension,
13 the member must have complied with any agreement as to contributions
14 by the member and other members to any funds of the System where
15 said agreement has been made as provided by this article; and the
16 State Board must find:

17 1. That the member incurred a permanent total disability or a
18 permanent partial disability or died while in, and in consequence
19 of, the performance of duty as an officer; or

20 2. That such member has served ten (10) years and incurred a
21 permanent total disability or a permanent partial disability or has
22 died from any cause.

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1 C. In the event of the death of any member who has been awarded
 2 a disability benefit or is eligible therefor as provided in this
 3 article, the member's beneficiary shall be paid the benefit.

4 D. 1. As of the date of determination by the State Board that
 5 a member is physically or mentally disabled and that the disability
 6 is permanent and partial or permanent and total as was incurred
 7 while in, and in consequence of, the performance or duty as an
 8 officer, the member shall be awarded a disability benefit on the
 9 basis of the percentage of impairment to the whole person, as
 10 defined by the most current standards of the impairment as outlined
 11 in the "American Medical Association's Guides to the Evaluation of
 12 Permanent Impairment", as provided in the following table or as
 13 prescribed by paragraph 2 of this subsection with respect to
 14 injuries sustained as a result of a violent act:

15	1% to 49% impairment to whole person =	50% of the normal
16		disability benefit
17	50% to 74% impairment to whole person =	75% of the normal
18		disability benefit
19	75% to 100% impairment to whole person =	100% of the normal
20		disability benefit.

21 2. If an injury to a member results from a violent act as
 22 defined by this paragraph while in the performance of his or her
 23 duties as a police officer, the State Board shall make a
 24 determination that the member has sustained a one-hundred-percent

1 disability and shall make the benefit award in accordance with that
2 standard. As used in this paragraph, "violent act" means a violent
3 attack upon the member by means of a dangerous weapon, including,
4 but not limited to, a firearm, knife, automobile, explosive device
5 or other dangerous weapon. In computing the disability benefit as
6 provided by this paragraph, the System shall use the compensation
7 paid to the highest paid nonsupervisory patrol officer in the
8 employment of the municipality which employs the member who becomes
9 disabled according to the standard prescribed by this paragraph or a
10 one hundred percent (100%) disability based on the member's final
11 average salary whichever computation results in the highest benefit.

12 E. If the participating municipality denies a disabled member
13 the option of continuing employment instead of retiring on a
14 disability pension, then the burden of proof rests with the
15 participating municipality to show cause to the State Board that
16 there is no position as a sworn officer within the police department
17 of that municipality which the member can fill.

18 F. Upon determination by the State Board that a member is
19 physically or mentally disabled and that the disability is permanent
20 and total and that the member has completed ten (10) years of
21 credited service and is disabled by any cause, the member shall
22 receive a disability benefit on the basis of the member's accrued
23 retirement benefit. A permanent and total impairment equates to one
24 hundred percent (100%) of accrued retirement benefit.

1 G. Upon determination by the State Board that a member is
 2 physically or mentally disabled and that the disability is permanent
 3 and partial and that the member has completed ten (10) years of
 4 credited service as a member and is disabled from any cause, the
 5 member shall be awarded a disability benefit on the basis of the
 6 member's years of credited service as a member and the percentage of
 7 impairment to the whole person, as defined by the most current
 8 standards of the impairment as outlined in the "American Medical
 9 Association's Guides to the Evaluation of Permanent Impairment", on
 10 the basis of the following table:

11	1% to 24% impaired =	25% of accrued retirement benefit
12	25% to 49% impaired =	50% of accrued retirement benefit
13	50% to 74% impaired =	75% of accrued retirement benefit
14	75% to 99% impaired =	90% of accrued retirement benefit.

15 H. Before making a finding as to the disability of a member,
 16 the State Board shall require that, if the member is able, the
 17 member shall make a certificate as to the disability which shall be
 18 subscribed and sworn to by the member. It shall also require a
 19 certificate as to such disability to be made by some physician
 20 licensed to practice in this state as selected by the State Board.
 21 The State Board may require other evidence of disability before
 22 making the disability benefit. The salary of any such member shall
 23 continue while the member is so necessarily confined to such
 24 hospital bed or home and necessarily requires medical care or

1 professional nursing on account of such sickness or disability for a
2 period of not more than six (6) months, after which said period the
3 other provisions of this article may apply. The State Board, in
4 making disability benefits, shall act upon the written request of
5 the member or without such request, if it deem it for the good of
6 the police department. Any disability benefits shall cease when the
7 member receiving same shall be restored to active service at a
8 salary not less than three-fourths (3/4) of the member's average
9 monthly salary.

10 I. Any member of a police department of any municipality who,
11 in the line of duty, has been exposed to hazardous substances,
12 including but not limited to chemicals used in the manufacture of a
13 controlled dangerous substance or chemicals resulting from the
14 manufacture of a controlled dangerous substance, or to blood-borne
15 pathogens and who is later disabled from a condition that was the
16 result of such exposure and that was not revealed by the physical
17 examination passed by the member upon entry into the System shall be
18 presumed to have incurred such disability while performing the
19 officer's duties unless the contrary is shown by competent evidence.
20 The presumption created by this subsection shall have no application
21 whatever to any workers' compensation claim or claims, and it shall
22 not be applied or be relied upon in any way in workers' compensation
23 proceedings. All compensation or benefits due to any member
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1 pursuant to the presumption created by this subsection shall be paid
2 solely by the system.

3 J. If the requirements of Section 50-114.4 of this title are
4 satisfied, a member who, by reason of disability, is separated from
5 service as a public safety officer with the member's participating
6 municipality, may elect to have payment made directly to the
7 provider for qualified health insurance premiums by deduction from
8 his or her monthly disability benefit, after December 31, 2006, in
9 accordance with Section 402(1) of the Internal Revenue Code of 1986,
10 as amended.

11 SECTION 3. Section 1 of this act shall become effective October
12 1, 2022.

13 SECTION 4. Section 2 of this act shall become effective
14 November 1, 2022.

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