

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3350

By: Frix

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems; amending 62 O.S. 2011, Section 3103, as last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2019, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definitions; authorizing benefit increase for certain retired members of the Oklahoma Firefighters Pension and Retirement System; providing for offset; authorizing benefit increase for certain retired members of the Oklahoma Police Pension and Retirement System; providing for offset; authorizing retirement benefit increase for certain retired members of the Uniform Retirement System for Justices and Judges; authorizing retirement benefit increase for certain retired members of the Oklahoma Law Enforcement Retirement System; providing for offset; authorizing retirement benefit increase for certain retired members of the Teachers' Retirement System of Oklahoma; authorizing retirement benefit increase for certain retired members of the Oklahoma Public Employees Retirement System; providing for codification; providing for contingent timing based on failure of emergency clause; providing for payment of benefits by retirement systems for certain periods; providing an effective date; and declaring an emergency.

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

1 SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as
2 last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.
3 2019, Section 3103), is amended to read as follows:

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

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

10 2. "RB number" means that number preceded by the letters "RB"
11 assigned to a retirement bill by the respective staffs of the
12 Oklahoma State Senate and the Oklahoma House of Representatives when
13 the respective staff office prepares a retirement bill for a member
14 of the Legislature;

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

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

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

- 1 a. which does not affect the cost or funding factors of a
2 retirement system, ~~or~~
- 3 b. which affects such factors only in a manner which does
4 not:
- 5 (1) grant a benefit increase under the retirement
6 system affected by the bill,
- 7 (2) create an actuarial accrued liability for or
8 increase the actuarial accrued liability of the
9 retirement system affected by the bill, or
- 10 (3) increase the normal cost of the retirement system
11 affected by the bill,
- 12 c. which authorizes the purchase by an active member of
13 the retirement system, at the actuarial cost for the
14 purchase as computed pursuant to the statute in effect
15 on the effective date of the measure allowing such
16 purchase, of years of service for purposes of reaching
17 a normal retirement date in the applicable retirement
18 system, but which cannot be used in order to compute
19 the number of years of service for purposes of
20 computing the retirement benefit for the member,
- 21 d. which provides for the computation of a service-
22 connected disability retirement benefit for members of
23 the Oklahoma Law Enforcement Retirement System
24 pursuant to Section 2-305 of Title 47 of the Oklahoma

- 1 Statutes if the members were unable to complete twenty
2 (20) years of service as a result of the disability,
3 e. which requires membership in the defined benefit plan
4 authorized by Section 901 et seq. of Title 74 of the
5 Oklahoma Statutes for persons whose first elected or
6 appointed service occurs on or after November 1, 2018,
7 if such persons had any prior service in the Oklahoma
8 Public Employees Retirement System prior to November
9 1, 2015, ~~or~~
- 10 f. which provides for a one-time increase in retirement
11 benefits if the increase in retirement benefits is not
12 a permanent increase in the gross annual retirement
13 benefit payable to a member or beneficiary, occurs
14 only once pursuant to a single statutory authorization
15 and does not exceed:
- 16 (1) the lesser of two percent (2%) of the gross
17 annual retirement benefit of the member or One
18 Thousand Dollars (\$1,000.00) and requires that
19 the benefit may only be provided if the funded
20 ratio of the affected retirement system would not
21 be less than sixty percent (60%) but not greater
22 than eighty percent (80%) after the benefit
23 increase is paid,
24

- 1 (2) the lesser of two percent (2%) of the gross
2 annual retirement benefit of the member or One
3 Thousand Two Hundred Dollars (\$1,200.00) and
4 requires that the benefit may only be provided if
5 the funded ratio of the affected retirement
6 system would be greater than eighty percent (80%)
7 but not greater than one hundred percent (100%)
8 after the benefit increase is paid,
- 9 (3) the lesser of two percent (2%) of the gross
10 annual retirement benefit of the member or One
11 Thousand Four Hundred Dollars (\$1,400.00) and
12 requires that the benefit may only be provided if
13 the funded ratio of the affected retirement
14 system would be greater than one hundred percent
15 (100%) after the benefit increase is paid, or
- 16 (4) the greater of two percent (2%) of the gross
17 annual retirement benefit of the volunteer
18 firefighter or One Hundred Dollars (\$100.00) for
19 persons who retired from the Oklahoma
20 Firefighters Pension and Retirement System as
21 volunteer firefighters and who did not retire
22 from the Oklahoma Firefighters Pension and
23 Retirement System as a paid firefighter.
24

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

6 g. which provides a cost-of-living benefit increase
7 pursuant to the provisions of Sections 2 through 7 of
8 this act.

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

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

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

1 which a portion of the revenue generated from such tax is earmarked
2 for the benefit of a retirement system;

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

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

13 SECTION 2. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 49-143.7 of Title 11, unless
15 there is created a duplication in numbering, reads as follows:

16 A. Except as provided in subsection B of this section and
17 except for persons receiving benefits pursuant to Section 49-101 of
18 Title 11 of the Oklahoma Statutes, effective July 1, 2020, any
19 person receiving benefits from the Oklahoma Firefighters Pension and
20 Retirement System as of June 30, 2019, who continues to receive
21 benefits on or after July 1, 2020, shall receive an increase in
22 benefits as follows:

23 1. Zero percent (0%) if the person has been retired for less
24 than two (2) years as of July 1, 2020;

1 2. Two percent (2%) if the person has been retired for at least
2 two (2) years but less than five (5) years as of July 1, 2020; and

3 3. Four percent (4%) if the person has been retired for five
4 (5) years or more as of July 1, 2020.

5 B. Any increase in benefits a person is eligible to receive
6 pursuant to repealed Section 49-136 of Title 11 of the Oklahoma
7 Statutes after June 30, 2008, shall be used to offset the increase
8 in benefits provided in subsection A of this section.

9 C. Effective July 1, 2020, for each year of credited service,
10 not to exceed thirty (30) years of service, any persons receiving
11 benefits pursuant to Section 49-101 of Title 11 of the Oklahoma
12 Statutes shall each receive a benefit equal to:

13 1. Zero percent (0%) if the person has been retired for less
14 than two (2) years as of July 1, 2020;

15 2. Seven Dollars and sixty-eight cents (\$7.68) if the person
16 has been retired for at least two (2) years but less than five (5)
17 years as of July 1, 2020; and

18 3. Seven Dollars and eighty-three cents (\$7.83) if the person
19 has been retired for five (5) years or more as of July 1, 2020.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 50-136.9 of Title 11, unless
22 there is created a duplication in numbering, reads as follows:

23 A. Except as provided in subsection B of this section, any
24 person receiving benefits from the Oklahoma Police Pension and

1 Retirement System as of June 30, 2019, who continues to receive
2 benefits on or after July 1, 2020, shall receive an increase in
3 benefits as follows:

4 1. Zero percent (0%) if the person has been retired for less
5 than two (2) years as of July 1, 2020;

6 2. Two percent (2%) if the person has been retired for at least
7 two (2) years but less than five (5) years as of July 1, 2020; and

8 3. Four percent (4%) if the person has been retired for five
9 (5) years or more as of July 1, 2020.

10 B. Any increase in benefits a person is eligible to receive
11 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma
12 Statutes, after June 30, 2008, shall be offset by the increase in
13 benefits, if any, provided by this section.

14 SECTION 4. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1104K of Title 20, unless there
16 is created a duplication in numbering, reads as follows:

17 Any person receiving benefits from the Uniform Retirement System
18 for Justices and Judges as of June 30, 2019, who continues to
19 receive benefits on or after July 1, 2020, shall receive an increase
20 in benefits as follows:

21 1. Zero percent (0%) if the person has been retired for less
22 than two (2) years as of July 1, 2020;

23 2. Two percent (2%) if the person has been retired for at least
24 two (2) years but less than five (5) years as of July 1, 2020; and

1 3. Four percent (4%) if the person has been retired for five
2 (5) years or more as of July 1, 2020.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2-305.12 of Title 47, unless
5 there is created a duplication in numbering, reads as follows:

6 A. Except as provided in subsection B of this section, any
7 person receiving benefits from the Oklahoma Law Enforcement
8 Retirement System as of June 30, 2019, who continues to receive
9 benefits on or after July 1, 2020, shall receive an increase in
10 benefits as follows:

11 1. Zero percent (0%) if the person has been retired for less
12 than two (2) years as of July 1, 2020;

13 2. Two percent (2%) if the person has been retired for at least
14 two (2) years but less than five (5) years as of July 1, 2020; and

15 3. Four percent (4%) if the person has been retired for five
16 (5) years or more as of July 1, 2020.

17 B. Any increase in benefits a person is eligible to receive
18 pursuant to subsection B, C or D of Section 2-305 of Title 47 of the
19 Oklahoma Statutes after July 1, 2020, shall be offset by the
20 increase in benefits, if any, provided by this section.

21 SECTION 6. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 17-116.22 of Title 70, unless
23 there is created a duplication in numbering, reads as follows:

24

1 A. Any person receiving benefits from the Teachers' Retirement
2 System of Oklahoma as of June 30, 2019, other than those benefits
3 specified in subsection B of this section, who continues to receive
4 benefits on or after July 1, 2020, shall receive an increase in
5 benefits as follows:

6 1. Zero percent (0%) if the person has been retired for less
7 than two (2) years as of July 1, 2020;

8 2. Two percent (2%) if the person has been retired for at least
9 two (2) years but less than five (5) years as of July 1, 2020; and

10 3. Four percent (4%) if the person has been retired for five
11 (5) years or more as of July 1, 2020.

12 B. Any person receiving benefits pursuant to subsection (3) of
13 Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits
14 commenced prior to July 1, 2020, and who continues to receive
15 benefits on or after July 1, 2020, shall receive an increase in
16 benefits as follows:

17 1. Zero percent (0%) if the person has been retired for less
18 than two (2) years as of July 1, 2020;

19 2. Two percent (2%) if the person has been retired for at least
20 two (2) years but less than five (5) years as of July 1, 2020; and

21 3. Four percent (4%) if the person has been retired for five
22 (5) years or more as of July 1, 2020.
23
24

1 SECTION 7. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 930.11 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 Any person receiving benefits from the Oklahoma Public Employees
5 Retirement System as of June 30, 2019, who continues to receive
6 benefits on or after July 1, 2020, shall receive an increase in
7 benefits as follows:

8 1. Zero percent (0%) if the person has been retired for less
9 than two (2) years as of July 1, 2020;

10 2. Two percent (2%) if the person has been retired for at least
11 two (2) years but less than five (5) years as of July 1, 2020; and

12 3. Four percent (4%) if the person has been retired for five
13 (5) years or more as of July 1, 2020.

14 SECTION 8. If the Emergency Clause is not approved pursuant to
15 the requirements of the Oklahoma Constitution as part of this
16 measure, the effective date of Section 1 of this act shall be
17 October 1, 2020.

18 SECTION 9. If the Emergency Clause is not approved pursuant to
19 the requirements of the Oklahoma Constitution as part of this
20 measure, the effective date of Sections 2 through 7 of this act
21 shall be November 1, 2020; provided, however, that the benefit
22 increases authorized by Sections 2 through 7 of this act shall be
23 paid for the months of July, August, September and October by each
24 applicable retirement system.

1 SECTION 10. Except as otherwise provided by Section 8 of this
2 act, Section 1 of this act shall become effective immediately upon
3 signature by the Governor or as otherwise provided by Section 58 of
4 Article V of the Oklahoma Constitution.

5 SECTION 11. Except as otherwise provided by Section 9 of this
6 act, Sections 2 through 7 of this act shall become effective July 1,
7 2020.

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

12

13 57-2-11535 MAH 02/27/20

14

15

16

17

18

19

20

21

22

23

24