

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1163

By: Vaughan

AS INTRODUCED

An Act relating to the Oklahoma Law Enforcement Retirement System; amending 47 O.S. 2011, Sections 2-305, as last amended by Section 1, Chapter 318, O.S.L. 2013 and 2-306 (47 O.S. Supp. 2016, Section 2-305), which relate to retirement benefits and certain death benefit amount; modifying provision related to computation of retirement benefit; modifying death benefit amount; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 2-305, as last amended by Section 1, Chapter 318, O.S.L. 2013 (47 O.S. Supp. 2016, Section 2-305), is amended to read as follows:

Section 2-305. A. Except as otherwise provided in this title, at any time after attaining normal retirement date, any member of the Oklahoma Law Enforcement Retirement System upon application for unreduced retirement benefits made and approved, may retire, and, during the remainder of the member's lifetime, receive annual retirement pay, payable in equal monthly payments, equal to two and one-half percent (2 1/2%) of the final average salary times years of

1 credited service. If such retired member is reemployed by a state  
2 agency in a position which is not covered by the System, such  
3 retired member shall continue to receive in-service distributions  
4 from the System. Prior to September 19, 2002, if such retired  
5 member was reemployed by a state agency in a position which is  
6 covered by the System, such member shall continue to receive in-  
7 service distributions from the System and shall not accrue any  
8 further credited service. If such a member is reemployed by a state  
9 agency in a position which is covered by the System on or after  
10 September 19, 2002, such member's monthly retirement payments shall  
11 be suspended until such member retires and is not reemployed by a  
12 state agency in a position which is covered by the System.

13 B. Beginning July 1, 1994, members who retired or were eligible  
14 to retire prior to July 1, 1980, or their surviving spouses shall  
15 receive annual retirement pay, payable in equal monthly payments,  
16 equal to the greater of their current retirement pay, or two and  
17 one-half percent (2 1/2%) of the actual paid gross salary being  
18 currently paid to a highway patrol officer, at the time each such  
19 monthly retirement payment is made, multiplied by the retired  
20 member's years of credited service.

21 C. Except as otherwise provided by this subsection, members of  
22 the System whose salary is set by statute who have retired after  
23 completion of the mandatory twenty (20) years of service, and those  
24 members with statutory salaries who retire after reaching the

1 mandatory twenty-year retirement, shall receive an annual retirement  
2 pay, payable in equal monthly installments, based upon the greater  
3 of either:

4 1. The top base ~~pay~~ salary currently paid to ~~an active member~~  
5 the highest nonsupervisory position in the participating agency, at  
6 the time each such monthly retirement payment is made, multiplied by  
7 two and one-half percent (2 1/2%) multiplied by the number of years  
8 of credited service and fraction thereof for the following  
9 positions:

- 10 a. Oklahoma Highway Patrolman,
- 11 b. Communications Dispatcher,
- 12 c. Capitol Patrolman,
- 13 d. Lake Patrolman, and
- 14 e. Oklahoma State Bureau of Investigation - Special Agent  
15 or Criminalist; or

16 2. The member's final average salary as set forth in paragraph  
17 9 of Section 2-300 of this title, multiplied by two and one-half  
18 percent (2 1/2%), and multiplied by the number of years of credited  
19 service and fraction thereof.

20 No member of the System retired prior to July 1, 2002, shall  
21 receive a benefit less than the amount the member is receiving as of  
22 June 30, 2002.

23  
24

1 The provisions of paragraph 1 of this subsection shall not be  
2 applicable to any member whose first participating service with the  
3 System occurs on or after November 1, 2012.

4 D. Other members of the System whose retirement benefit is not  
5 otherwise prescribed by this section who have retired after  
6 completion of the mandatory twenty (20) years of service, and those  
7 members who retire after reaching the mandatory twenty-year  
8 retirement, shall receive an annual retirement pay, payable in equal  
9 monthly payments, based upon the greater of either:

10 1. The actual average salary currently paid to the highest  
11 nonsupervisory position in the participating agency, at the time  
12 each such monthly payment is made, multiplied by two and one-half  
13 percent (2 1/2%), multiplied by the number of years of credited  
14 service and fraction thereof for the following positions:

- 15 a. Alcoholic Beverage Laws Enforcement Commission - ABLE  
16 Commission Agent III,
  - 17 b. Oklahoma State Bureau of Narcotics and Dangerous Drugs  
18 Control - Narcotics Agent III,
  - 19 c. Oklahoma Tourism and Recreation Department - Park  
20 Ranger II,
  - 21 d. State Board of Pharmacy - Pharmacy Inspector,
  - 22 e. University of Oklahoma - Police Officer, and
  - 23 f. Oklahoma State University - Police Officer; or
- 24

1        2. The other member's final average salary as set forth in  
2 paragraph 9 of Section 2-300 of this title, multiplied by two and  
3 one-half percent (2 1/2%), multiplied by the number of years of  
4 credited service and fraction thereof.

5        No member of the System retired prior to July 1, 2002, shall  
6 receive a benefit less than the amount the member is receiving as of  
7 June 30, 2002. The participating employer must certify to the  
8 System in writing the actual average gross salary currently paid to  
9 the highest nonsupervisory position. The Board of Trustees shall  
10 promulgate such rules as are necessary to implement the provisions  
11 of this section.

12        The provisions of paragraph 1 of this subsection shall not be  
13 applicable to any member whose first participating service with the  
14 System occurs on or after the effective date of this act.

15        E. A member who meets the definition of disability as defined  
16 in paragraph 11 of Section 2-300 of this title by direct reason of  
17 the performance of the member's duties as an officer shall receive a  
18 monthly benefit equal to the greater of fifty percent (50%) of final  
19 average salary or two and one-half percent (2 1/2%) of final average  
20 salary multiplied by the number of years of the member's credited  
21 service. If such member participates in the Oklahoma Law  
22 Enforcement Deferred Option Plan pursuant to Section 2-305.2 of this  
23 title, then such member's disability pension provided pursuant to  
24

1 this subsection shall be reduced to account for such member's  
2 participation in the Oklahoma Law Enforcement Deferred Option Plan.

3 F. A member who meets the definition of disability as defined  
4 in paragraph 11 of Section 2-300 of this title and whose disability  
5 is by means of personal and traumatic injury of a catastrophic  
6 nature and in the line of duty, shall receive a monthly benefit  
7 equal to:

8 1. Two and one-half percent (2 1/2%);

9 2. Multiplied by:

10 a. twenty (20) years of service, regardless of the actual  
11 number of years of credited service performed by the  
12 member prior to the date of disability, if the member  
13 had performed less than twenty (20) years of service,  
14 or

15 b. the actual number of years of service performed by the  
16 member if the member had performed twenty (20) or more  
17 years of service;

18 3. Multiplied by a final average salary equal to:

19 a. the salary which the member would have received  
20 pursuant to statutory salary schedules in effect upon  
21 the date of the disability for twenty (20) years of  
22 service prior to disability. The final average salary  
23 for a member who performed less than twenty (20) years  
24 of service prior to disability shall be computed

1           assuming that the member was paid the highest salary  
2           allowable pursuant to the law in effect at the time of  
3           the member's disability based upon twenty (20) years  
4           of service and with an assumption that the member was  
5           eligible for any and all increases in pay based upon  
6           rank during the entire period. If the salary of a  
7           member is not prescribed by a specific salary schedule  
8           upon the date of the member's disability, the final  
9           average salary for the member shall be computed by the  
10          member's actual final average salary or the highest  
11          median salary amount for a member whose salary was  
12          prescribed by a specific salary schedule upon the date  
13          of the member's disability, whichever final average  
14          salary amount would be greater, or

- 15           b. the actual final average salary of the member if the  
16           member had performed twenty (20) or more years of  
17           service prior to disability.

18           If such member participates in the Oklahoma Law Enforcement  
19          Deferred Option Plan pursuant to Section 2-305.2 of this title, such  
20          member's disability pension provided pursuant to this subsection  
21          shall be adjusted as provided in Section 2-305.2 of this title to  
22          account for such member's participation in the Oklahoma Law  
23          Enforcement Deferred Option Plan.

1 G. A member who meets the definition of disability as defined  
2 in Section 2-300 of this title and whose disability occurred prior  
3 to the member's normal retirement date but after completing three  
4 (3) years of vesting service and not by reason of the performance of  
5 the member's duties or as a result of the member's willful  
6 negligence shall receive a monthly benefit equal to two and one-half  
7 percent (2 1/2%) of final average salary multiplied by the number of  
8 years of the member's credited service.

9 H. Payment of a disability pension shall commence as of the  
10 first day of the month coinciding or next following the date of  
11 retirement and shall continue as long as the member meets the  
12 definition of total and permanent disability provided in this  
13 section.

14 I. For the purpose of determining the member's disability under  
15 subsection E, F or G of this section, the member shall be required  
16 by the Board to be examined by a minimum of two recognized  
17 physicians selected by the Board to determine the extent of the  
18 member's injury or illness. The examining physicians shall furnish  
19 the Board a detailed written report of the injury or illness of the  
20 examined member establishing the extent of disability and the  
21 possibilities of the disabled member being returned to his or her  
22 regular duties or an alternate occupation or service covered by the  
23 System after a normal recuperation period. The Board shall require  
24 all retired disabled members who have not attained their normal



1 retirement date to submit to a physical examination once each year  
2 for a minimum of three (3) years following retirement. The Board  
3 shall select a minimum of two physicians to examine the retired  
4 members and pay for their services from the fund. Any retired  
5 disabled member found no longer disabled by the examining physicians  
6 to perform the occupation of the member or an alternate occupation  
7 or service covered by the System shall be required to return to duty  
8 and complete twenty (20) years of service as provided in subsection  
9 A of this section, or forfeit all his or her rights and claims under  
10 Section 2-300 et seq. of this title.

11 J. The disability benefit under this section shall be for the  
12 lifetime of the member unless such member is found no longer  
13 disabled pursuant to subsection I of this section. Such member  
14 shall not be entitled to the retirement benefit pursuant to  
15 subsection A of this section unless such member returns to active  
16 duty and is eligible for a retirement benefit as provided in  
17 subsection A of this section.

18 K. At the postoffer, preemployment physical examination  
19 required under paragraph 6 of Section 2-300 of this title, the  
20 physician selected by the Board shall determine the extent to which  
21 a new member is disabled. If a member is determined to be partially  
22 disabled, the physician shall assign a percentage of disability to  
23 such partial disability. If such member then becomes entitled to a  
24 disability benefit under either subsection E or subsection G of this

1 section, the benefit payable shall be reduced by the percentage  
2 which such member was determined to be disabled at the postoffer,  
3 preemployment physical unless the Board makes a determination that  
4 the initially determined percentage of disability at the  
5 preemployment physical examination is unrelated to the reason for  
6 the disability currently sought pursuant to subsection E or  
7 subsection G of this section. Upon employment, the member shall  
8 disclose to the Board any disability payments received from any  
9 source. The amount of disability to be paid to any member cannot  
10 exceed one hundred percent (100%) disability from all sources. The  
11 provisions of this subsection shall apply only to members whose  
12 effective date of membership is on or after July 1, 2000.

13 L. In addition to the pension provided for under subsection F  
14 of this section, if said member has one or more children under the  
15 age of eighteen (18) years or under the age of twenty-two (22) years  
16 if the child is enrolled full time in and is regularly attending a  
17 public or private school or any institution of higher education,  
18 ~~Four Hundred Dollars (\$400.00)~~ Five Hundred Dollars (\$500.00) a  
19 month shall be paid from said Fund for the support of each surviving  
20 child to the member or person having the care and custody of such  
21 children until each child reaches the age of eighteen (18) years or  
22 reaches the age of twenty-two (22) years if the child is enrolled  
23 full time in and is regularly attending a public or private school  
24 or any institution of higher education.

1 M. Notwithstanding any other provisions in Section 2-300  
2 through 2-315 of this title, in order to be eligible to receive  
3 disability benefits, a member who meets the definition of disability  
4 as defined in paragraph 11 of Section 2-300 of this title shall file  
5 the member's completed application for disability benefits with the  
6 System before such member's date of termination from service and  
7 provide such additional information that the System's rules require  
8 within six (6) months of the System's receipt of such application.  
9 If the member's completed application for disability benefits is not  
10 filed with the System before the member's date of termination from  
11 service or such additional information as is required under the  
12 System's rules is not provided within six (6) months of the System's  
13 receipt of such application, such member shall be eligible only for  
14 such other benefits as are available to members of the System and  
15 shall not be eligible to receive any disability benefits.

16 N. If the requirements of Section 2-305.1C of this title are  
17 satisfied, a member who, by reason of disability or attainment of  
18 normal retirement date or age, is separated from service as a public  
19 safety officer with the member's participating employer may elect to  
20 have payment made directly to the provider for qualified health  
21 insurance premiums by deduction from his or her monthly disability  
22 benefit or monthly retirement payment, after December 31, 2006, in  
23 accordance with Section 402(1) of the Internal Revenue Code of 1986,  
24 as amended.

1 SECTION 2. AMENDATORY 47 O.S. 2011, Section 2-306, is  
2 amended to read as follows:

3 Section 2-306. A. Upon the death of a retired member or upon  
4 the death of any member prior to retirement or other termination of  
5 covered employment, a monthly pension shall be paid which shall be  
6 in an amount as provided below:

7 1. If the member was not retired and death occurred as the  
8 direct result of the performance of the member's duties as an  
9 officer, an amount:

10 a. equal to two and one-half percent (2 1/2%),

11 b. multiplied by:

12 (1) twenty (20) years of service, regardless of the  
13 actual number of years of credited service  
14 performed by the member prior to the date of  
15 death if the member had performed less than  
16 twenty (20) years of service, or

17 (2) the actual number of years of service performed  
18 by the member if the member had performed twenty  
19 (20) or more years of service,

20 c. multiplied by a final average salary equal to:

21 (1) the salary which the member would have received  
22 pursuant to statutory salary schedules in effect  
23 upon the date of death for twenty (20) years of  
24 service if the member did not actually perform

1 twenty (20) years of service prior to death. The  
2 final average salary for a member who performed  
3 less than twenty (20) years of service prior to  
4 death shall be computed assuming that the member  
5 was paid the highest salary allowable pursuant to  
6 the law in effect at the time of the member's  
7 death based upon twenty (20) years of service and  
8 with an assumption that the member was eligible  
9 for any and all increases in pay based upon rank  
10 during the entire period. If the salary of a  
11 member is not prescribed by a specific salary  
12 schedule upon the date of the member's death, the  
13 final average salary for the member shall be  
14 computed by the member's actual final average  
15 salary or the highest median salary amount for a  
16 member whose salary was prescribed by a specific  
17 salary schedule upon the date of the member's  
18 death, whichever final average salary amount  
19 would be greater, or

- 20 (2) the actual final average salary of the member if  
21 the member had performed twenty (20) or more  
22 years of service prior to death; or

23 2. If the member was not retired and death occurred other than  
24 as the direct result of the performance of the member's duties as an

1 officer, an amount equal to the monthly payments which would have  
2 been received by the member under subsection E of Section 2-305 of  
3 this title had the member been totally disabled; or

4 3. If said member was retired for length of service, an amount  
5 equal to the member's monthly payments; or

6 4. If said member was receiving, or eligible to receive, a  
7 disability benefit pursuant to subsection E or F of Section 2-305 of  
8 this title, an amount equal to the member's monthly payments  
9 pursuant to subsection E or F of Section 2-305 of this title; or

10 5. If said member was receiving, or eligible to receive, a  
11 disability benefit pursuant to subsection G of Section 2-305 of this  
12 title, an amount equal to the member's monthly payments pursuant to  
13 subsection G of Section 2-305 of this title; or

14 6. If said member was retired for partial disability, an amount  
15 equal to the monthly payments which would have been received by said  
16 member had the member been totally disabled.

17 B. The pension provided for in subsection A of this section  
18 shall be paid:

19 1. Except as provided in paragraph 4 of this subsection, to the  
20 surviving spouse, provided the surviving spouse was married to the  
21 member at the time of the member's death, and continuously for the  
22 thirty (30) months immediately preceding the member's death,  
23 provided a surviving spouse of a member who died while in, or as a  
24 consequence of, the performance of the member's duty for the

1 employer, shall not be subject to the thirty-month marriage  
2 requirement for survivor benefits; or

3 2. If there is no surviving spouse or upon the death of a  
4 spouse:

5 a. to the person having the care and custody of any  
6 surviving child or children of said member for such  
7 time as such child or children are under the age of  
8 eighteen (18) years, or

9 b. to the surviving child or children between the age of  
10 eighteen (18) and twenty-two (22) years if the child  
11 is enrolled full time in and is regularly attending a  
12 public or private school or any institution of higher  
13 education;

14 3. If there is no surviving spouse or children under the age of  
15 eighteen (18) years or under the age of twenty-two (22) years if the  
16 child is enrolled full time in and is regularly attending a public  
17 or private school or any institution of higher education, to the  
18 dependent parent or parents of said member, for life; or

19 4. In the event a surviving spouse remarried prior to June 7,  
20 1993, and was a surviving spouse of a member who died while in, or  
21 as a consequence of, the performance of the member's duty for the  
22 employer, the surviving spouse shall be eligible to receive the  
23 pension benefits provided for in subsection A of this section.

24

1 To receive the pension benefits provided for in subsection A of  
2 this section the surviving spouse falling within this paragraph  
3 shall submit a written request for such benefits to the Oklahoma Law  
4 Enforcement Retirement System. The Oklahoma Law Enforcement  
5 Retirement System shall approve requests by surviving spouses  
6 meeting the requirements of this paragraph. Upon approval by the  
7 Oklahoma Law Enforcement Retirement System, the surviving spouse  
8 shall be entitled to the pension benefits provided for in subsection  
9 A of this section beginning from the date of approval forward.

10 Pension benefits provided to surviving spouses falling within this  
11 paragraph shall not apply to alter any amount of pension benefits  
12 paid or due prior to the Oklahoma Law Enforcement Retirement  
13 System's approval of the remarried surviving spouse's written  
14 request for benefits.

15 No surviving spouse shall receive benefits from this section,  
16 Section 49-113 of Title 11 of the Oklahoma Statutes, or Section 50-  
17 117 of Title 11 of the Oklahoma Statutes as the surviving spouse of  
18 more than one member of the Oklahoma Firefighters Pension and  
19 Retirement System, the Oklahoma Police Pension and Retirement  
20 System, or the Oklahoma Law Enforcement Retirement System. The  
21 surviving spouse of more than one member shall elect which member's  
22 benefits he or she will receive.

23 C. In addition to the pension above provided for, if said  
24 member leaves a surviving spouse and one or more children under the



1 age of eighteen (18) years or under the age of twenty-two (22) years  
2 if the child is enrolled full time in and is regularly attending a  
3 public or private school or any institution of higher education,  
4 ~~Four Hundred Dollars (\$400.00)~~ Five Hundred Dollars (\$500.00) a  
5 month shall be paid from said Fund for the support of each surviving  
6 child to the person having the care and custody of such children  
7 during such time as said spouse remains alive and until each child  
8 reaches the age of eighteen (18) years or reaches the age of twenty-  
9 two (22) years if the child is enrolled full time in and is  
10 regularly attending a public or private school or any institution of  
11 higher education.

12 D. Upon the death of a retired member, the benefit payment for  
13 the month in which the retired member died, if not previously paid,  
14 shall be made to the beneficiary of the member or to the member's  
15 estate if there is no beneficiary. Such benefit payment shall be  
16 made in an amount equal to a full monthly benefit payment regardless  
17 of the day of the month in which the retired member died.

18 SECTION 3. This act shall become effective July 1, 2017.

19 SECTION 4. It being immediately necessary for the preservation  
20 of the public peace, health or safety, an emergency is hereby  
21 declared to exist, by reason whereof this act shall take effect and  
22 be in full force from and after its passage and approval.

23

24 56-1-5510 MAH 10/21/16

**THOMAS E. CUMMINS CONSULTING ACTUARY, INC.**

2512 E. 71<sup>st</sup> Street , Suite D · Tulsa, Oklahoma 74136

(918) 492-9658 · (918) 492- 9659

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December 27, 2016

Representative Steve Vaughan  
Room 435A

Re: RBH No. 5510

RBH No. 5510 provides a \$100 per month benefit increase for children of a Participant who is killed or disabled in the line of duty. The benefit will be increased to \$500 per month from \$400 per month.

RBS No. 5510 is a retirement bill having a fiscal impact as defined by the Oklahoma Pension Legislation Analysis Act.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA