

1 ENGROSSED HOUSE  
2 BILL NO. 1277

By: McCall, Fugate, Menz,  
Humphrey, and Ranson of the  
House

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4  
5 An Act relating to public retirement systems;  
6 amending 62 O.S. 2021, Section 3103, as amended by  
7 Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.  
8 2023, Section 3103), which relates to the Oklahoma  
9 Pension Legislation Actuarial Analysis Act; modifying  
10 definition; defining term; authorizing grant of  
11 retirement benefit increase for members of the  
12 Oklahoma Firefighters Pension and Retirement System,  
13 the Oklahoma Police Pension and Retirement System,  
14 the Uniform Retirement System for Justices and  
15 Judges, the Oklahoma Law Enforcement Retirement  
16 System, the Teachers' Retirement System of Oklahoma,  
17 and the Oklahoma Public Employees Retirement System  
18 subject to limitation based upon funded ratio;  
19 prescribing conditions for retirement benefit  
20 increase; authorizing grant of benefit increase;  
21 prescribing date for effect of benefit increases;  
22 providing for offset; specifying amount of increase;  
23 providing for certain comparison of benefit increases  
24 authorized by certain statutory provisions; providing  
for codification; and providing effective dates.

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

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

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

1       1. "Amendment" means any amendment, including a substitute  
2 bill, made to a retirement bill by any committee of the House or  
3 Senate, any conference committee of the House or Senate or by the  
4 House or Senate;

5       2. "RB number" means that number preceded by the letters "RB"  
6 assigned to a retirement bill by the respective staffs of the  
7 Oklahoma State Senate and the Oklahoma House of Representatives when  
8 the respective staff office prepares a retirement bill for a member  
9 of the Legislature;

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

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

19       5. "Nonfiscal retirement bill" means a retirement bill:  
20           a. which does not affect the cost or funding factors of a  
21             retirement system,  
22           b. which affects such factors only in a manner which does  
23             not:

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- (1) grant a benefit increase under the retirement system affected by the bill,
- (2) create an actuarial accrued liability for or increase the actuarial accrued liability of the retirement system affected by the bill, or
- (3) increase the normal cost of the retirement system affected by the bill,

c. which authorizes the purchase by an active member of the retirement system, at the actuarial cost for the purchase as computed pursuant to the statute in effect on the effective date of the measure allowing such purchase, of years of service for purposes of reaching a normal retirement date in the applicable retirement system, but which cannot be used in order to compute the number of years of service for purposes of computing the retirement benefit for the member,

d. which provides for the computation of a service-connected disability retirement benefit for members of the Oklahoma Law Enforcement Retirement System pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes if the members were unable to complete twenty (20) years of service as a result of the disability,

e. which requires membership in the defined benefit plan authorized by Section 901 et seq. of Title 74 of the

1 Oklahoma Statutes for persons whose first elected or  
2 appointed service occurs on or after November 1, 2018,  
3 if such persons had any prior service in the Oklahoma  
4 Public Employees Retirement System prior to November  
5 1, 2015,

6 f. which provides for a one-time increase in retirement  
7 benefits if the increase in retirement benefits is not  
8 a permanent increase in the gross annual retirement  
9 benefit payable to a member or beneficiary, occurs  
10 only once pursuant to a single statutory authorization  
11 and does not exceed:

12 (1) the lesser of two percent (2%) of the gross  
13 annual retirement benefit of the member or One  
14 Thousand Dollars (\$1,000.00) and requires that  
15 the benefit may only be provided if the funded  
16 ratio of the affected retirement system would not  
17 be less than sixty percent (60%) but not greater  
18 than eighty percent (80%) after the benefit  
19 increase is paid,

20 (2) the lesser of two percent (2%) of the gross  
21 annual retirement benefit of the member or One  
22 Thousand Two Hundred Dollars (\$1,200.00) and  
23 requires that the benefit may only be provided if  
24 the funded ratio of the affected retirement

1 system would be greater than eighty percent (80%)  
2 but not greater than one hundred percent (100%)  
3 after the benefit increase is paid,

4 (3) the lesser of two percent (2%) of the gross  
5 annual retirement benefit of the member or One  
6 Thousand Four Hundred Dollars (\$1,400.00) and  
7 requires that the benefit may only be provided if  
8 the funded ratio of the affected retirement  
9 system would be greater than one hundred percent  
10 (100%) after the benefit increase is paid, or

11 (4) the greater of two percent (2%) of the gross  
12 annual retirement benefit of the volunteer  
13 firefighter or One Hundred Dollars (\$100.00) for  
14 persons who retired from the Oklahoma  
15 Firefighters Pension and Retirement System as  
16 volunteer firefighters and who did not retire  
17 from the Oklahoma Firefighters Pension and  
18 Retirement System as a paid firefighter.

19 As used in this subparagraph, "funded ratio" means the  
20 figure derived by dividing the actuarial value of  
21 assets of the applicable retirement system by the  
22 actuarial accrued liability of the applicable  
23 retirement system,

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

6 h. which provides a cost-of-living benefit increase  
7 pursuant to the provisions of:

8 (1) Section 49-143.7 of Title 11 of the Oklahoma  
9 Statutes,

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

12 (3) Section 1104K of Title 20 of the Oklahoma  
13 Statutes,

14 (4) Section 2-305.12 of Title 47 of the Oklahoma  
15 Statutes,

16 (5) Section 17-116.22 of Title 70 of the Oklahoma  
17 Statutes,

18 (6) Section 930.11 of Title 74 of the Oklahoma  
19 Statutes, ~~or~~

20 i. which modifies the computation of the line-of-duty  
21 disability benefit pursuant to ~~the provisions of this~~  
22 ~~act~~ Sections 50-101 and 50-115 of Title 11 of the  
23 Oklahoma Statutes, or  
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1            j. which provides a cost-of-living adjustment as  
2            prescribed by Sections 2 through 7 of this act.

3 A nonfiscal retirement bill shall include any retirement bill that  
4 has as its sole purpose the appropriation or distribution or  
5 redistribution of monies in some manner to a retirement system for  
6 purposes of reducing the unfunded liability of such system or the  
7 earmarking of a portion of the revenue from a tax to a retirement  
8 system or increasing the percentage of the revenue earmarked from a  
9 tax to a retirement system;

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

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

21           8. "Retirement bill having a fiscal impact" means any  
22 retirement bill creating or establishing a retirement system and any  
23 other retirement bill other than a nonfiscal retirement bill; and  
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1           9. "Retirement system" means the Teachers' Retirement System of  
2 Oklahoma, the Oklahoma Public Employees Retirement System, the  
3 Uniform Retirement System for Justices and Judges, the Oklahoma  
4 Firefighters Pension and Retirement System, the Oklahoma Police  
5 Pension and Retirement System, the Oklahoma Law Enforcement  
6 Retirement System, or a retirement system established after January  
7 1, 2006.

8           SECTION 2.       NEW LAW       A new section of law to be codified  
9 in the Oklahoma Statutes as Section 49-143.8 of Title 11, unless  
10 there is created a duplication in numbering, reads as follows:

11           A. As used in this section, "funded ratio" means the figure  
12 derived by dividing the actuarial value of retirement system assets  
13 by the actuarial accrued liability amount of the retirement system  
14 using the information reported to the retirement system by its  
15 actuary in the annual valuation and which is computed as of a day  
16 certain.

17           B. Except as provided in subsection D of this section and  
18 except for persons receiving benefits pursuant to Section 49-101 of  
19 Title 11 of the Oklahoma Statutes, effective November 1, 2024, the  
20 board of trustees of the Oklahoma Firefighters Pension and  
21 Retirement System shall grant a four percent (4%) retirement benefit  
22 increase to the retired members of the system or their beneficiaries  
23 if the funded ratio of the retirement system will be at least eighty  
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1 percent (80%) after the benefit increase is provided to the eligible  
2 retirees or beneficiaries.

3 C. Except as provided in subsection D of this section and  
4 except for persons receiving benefits pursuant to Section 49-101 of  
5 Title 11 of the Oklahoma Statutes, effective November 1, 2024, if  
6 the funded ratio of the retirement system will not be at least  
7 eighty percent (80%) after the benefit increase prescribed in  
8 subsection B of this section, the board of trustees shall grant a  
9 two percent (2%) retirement benefit increase to the retired members  
10 of the system or their beneficiaries.

11 D. Any increase in benefits a person is eligible to receive  
12 pursuant to repealed Section 49-136 of Title 11 of the Oklahoma  
13 Statutes after June 30, 2020, shall be used to offset the increase  
14 of benefits provided in this section.

15 E. Effective November 1, 2024, any person receiving benefits  
16 pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes  
17 shall each receive an increase in benefits of four percent (4%) if  
18 the funded ratio of the retirement system will be at least eighty  
19 percent (80%) after a benefit increase is provided to the eligible  
20 retirees or beneficiaries to:

21 1. Seven Dollars and eighty-three cents (\$7.83) per year of  
22 credited service, not to exceed thirty (30) years of service if the  
23 person's retirement benefit was not adjusted pursuant to the  
24 provisions of Section 49-143.7 of Title 11 of the Oklahoma Statutes;

1           2. Seven Dollars and ninety-nine cents (\$7.99) per year of  
2 credited service, not to exceed thirty (30) years of service if the  
3 person's retirement benefit was adjusted pursuant to Section 49-  
4 143.7 of Title 11 of the Oklahoma Statutes from a base amount of  
5 Seven Dollars and sixty-eight cents (\$7.68); or

6           3. Eight Dollars and fourteen cents (\$8.14) per year of  
7 credited service, not to exceed thirty (30) years of service if the  
8 person's retirement benefit was adjusted pursuant to Section 49-  
9 143.7 of Title 11 of the Oklahoma Statutes from a base amount of  
10 Seven Dollars and eighty-three cents (\$7.83).

11           F. If the funded ratio of the retirement system will not be at  
12 least eighty percent (80%) after the benefit increase prescribed in  
13 subsection E of this section, effective November 1, 2024, any person  
14 receiving benefits pursuant to Section 49-101 of Title 11 of the  
15 Oklahoma Statutes shall each receive an increase in benefits of two  
16 percent (2%) to:

17           1. Seven Dollars and sixty-eight cents (\$7.68) per year of  
18 credited service, not to exceed thirty (30) years of service if the  
19 person's retirement benefit was not adjusted pursuant to the  
20 provisions of Section 49-143.7 of Title 11 of the Oklahoma Statutes;

21           2. Seven Dollars and eighty-three cents (\$7.83) per year of  
22 credited service, not to exceed thirty (30) years of service if the  
23 person's retirement benefit was adjusted pursuant to Section 49-  
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1 143.7 of Title 11 of the Oklahoma Statutes from a base amount of  
2 Seven Dollars and sixty-eight cents (\$7.68); or

3 3. Seven Dollars and ninety-nine cents (\$7.99) per year of  
4 credited service, not to exceed thirty (30) years of service if the  
5 person's retirement benefit was adjusted pursuant to Section 49-  
6 143.7 of Title 11 of the Oklahoma Statutes from a base amount of  
7 Seven Dollars and eighty-three cents (\$7.83).

8 SECTION 3. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 50-136.10 of Title 11, unless  
10 there is created a duplication in numbering, reads as follows:

11 A. As used in this section, "funded ratio" means the figure  
12 derived by dividing the actuarial value of retirement system assets  
13 by the actuarial accrued liability amount of the retirement system  
14 using the information reported to the retirement system by its  
15 actuary in the annual valuation and which is computed as of a day  
16 certain.

17 B. Except as provided in subsection D of this section, the  
18 board of trustees of the Oklahoma Police Pension and Retirement  
19 System shall grant a four percent (4%) retirement benefit increase  
20 effective November 1, 2024, to the retired members of the system or  
21 their beneficiaries if the funded ratio of the retirement system  
22 will be at least eighty percent (80%) after the benefit increase is  
23 provided to the eligible retirees or beneficiaries.

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1 C. Except as provided in subsection D of this section, if the  
2 funded ratio of the retirement system will not be at least eighty  
3 percent (80%) after the benefit increase prescribed in subsection B  
4 of this section, the board of trustees shall grant a two percent  
5 (2%) retirement benefit increase effective November 1, 2024, to the  
6 retired members of the system or their beneficiaries.

7 D. Any increase in benefits a person is eligible to receive  
8 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma  
9 Statutes, after June 30, 2020, shall be offset by the increase  
10 provided by this section.

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

14 A. As used in this section, "funded ratio" means the figure  
15 derived by dividing the actuarial value of retirement system assets  
16 by the actuarial accrued liability amount of the retirement system  
17 using the information reported to the retirement system by its  
18 actuary in the annual valuation and which is computed as of a day  
19 certain.

20 B. The board of trustees of the Uniform Retirement System for  
21 Justices and Judges shall grant a four percent (4%) retirement  
22 benefit increase effective November 1, 2024, to the retired members  
23 of the system or their beneficiaries if the funded ratio of the  
24 retirement system will be at least eighty percent (80%) after the

1 benefit increase is provided to the eligible retirees or  
2 beneficiaries.

3 C. If the funded ratio of the retirement system will not be at  
4 least eighty percent (80%) after the benefit increase prescribed in  
5 subsection B of this section, the board of trustees shall grant a  
6 two percent (2%) retirement benefit increase effective November 1,  
7 2024, to the retired members of the system or their beneficiaries.

8 SECTION 5. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 2-305.13 of Title 47, unless  
10 there is created a duplication in numbering, reads as follows:

11 A. As used in this section, "funded ratio" means the figure  
12 derived by dividing the actuarial value of retirement system assets  
13 by the actuarial accrued liability amount of the retirement system  
14 using the information reported to the retirement system by its  
15 actuary in the annual valuation and which is computed as of a day  
16 certain.

17 B. Except as provided in subsection D of this section, the  
18 board of trustees of the Oklahoma Law Enforcement Retirement System  
19 shall grant a four percent (4%) retirement benefit increase  
20 effective November 1, 2024, to the retired members of the system or  
21 their beneficiaries if the funded ratio of the retirement system  
22 will be at least eighty percent (80%) after the benefit increase is  
23 provided to the eligible retirees or beneficiaries.

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1 C. If the funded ratio of the retirement system will not be at  
2 least eighty percent (80%) after the benefit increase prescribed in  
3 subsection B of this section, the board of trustees shall grant a  
4 two percent (2%) retirement benefit increase effective November 1,  
5 2024, to the retired members of the system or their beneficiaries.

6 D. Any increase in benefits a person is eligible to receive  
7 pursuant to subsection B, C, or D of Section 2-305 of Title 47 of  
8 the Oklahoma Statutes, after October 31, 2024, shall be offset by  
9 the increase in benefits provided by this section.

10 SECTION 6. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 17-116.23 of Title 70, unless  
12 there is created a duplication in numbering, reads as follows:

13 A. As used in this section, "funded ratio" means the figure  
14 derived by dividing the actuarial value of retirement system assets  
15 by the actuarial accrued liability amount of the retirement system  
16 using the information reported to the retirement system by its  
17 actuary in the annual valuation and which is computed as of a day  
18 certain.

19 B. The board of trustees of the Teachers' Retirement System of  
20 Oklahoma shall grant a four percent (4%) retirement benefit increase  
21 effective November 1, 2024, to the retired members of the system or  
22 their beneficiaries if the funded ratio of the retirement system  
23 will be at least eighty percent (80%) after the benefit increase is  
24 provided to the eligible retirees or beneficiaries.

1 C. If the funded ratio of the retirement system will not be at  
2 least eighty percent (80%) after the benefit increase prescribed in  
3 subsection B of this section, the board of trustees shall grant a  
4 two percent (2%) retirement benefit increase effective November 1,  
5 2024, to the retired members of the system or their beneficiaries.

6 SECTION 7. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 930.12 of Title 74, unless there  
8 is created a duplication in numbering, reads as follows:

9 A. As used in this section, "funded ratio" means the figure  
10 derived by dividing the actuarial value of retirement system assets  
11 by the actuarial accrued liability amount of the retirement system  
12 using the information reported to the retirement system by its  
13 actuary in the annual valuation and which is computed as of a day  
14 certain.

15 B. The board of trustees of the Oklahoma Public Employees  
16 Retirement System shall grant a four percent (4%) retirement benefit  
17 increase effective November 1, 2024, to the retired members of the  
18 system or their beneficiaries if the funded ratio of the retirement  
19 system will be at least eighty percent (80%) after the benefit  
20 increase is provided to the eligible retirees or beneficiaries.

21 C. If the funded ratio of the retirement system will not be at  
22 least eighty percent (80%) after the benefit increase prescribed in  
23 subsection B of this section, the board of trustees shall grant a  
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1 two percent (2%) retirement benefit increase effective November 1,  
2 2024, to the retired members of the system or their beneficiaries.

3 SECTION 8. Section 1 of this act shall become effective October  
4 1, 2024.

5 SECTION 9. Sections 2 through 7 of this act shall become  
6 effective November 1, 2024.

7 Passed the House of Representatives the 13th day of March, 2024.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2024.

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Presiding Officer of the Senate

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