

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1307

By: Meredith of the House

and

7 **Pemberton** of the Senate

8
9
10 COMMITTEE SUBSTITUTE

11 An Act relating to the Oklahoma Law Enforcement
12 Retirement System; amending 62 O.S. 2011, Section
13 3103, as last amended by Section 2, Chapter 245,
14 O.S.L. 2018 (62 O.S. Supp. 2019, Section 3103), which
15 relates to the Oklahoma Pension Legislation Actuarial
16 Analysis Act; modifying definitions; amending 47 O.S.
17 2011, Sections 2-300, as amended by Section 1,
18 Chapter 383, O.S.L. 2015, 2-304, as amended by
19 Section 1, Chapter 307, O.S.L. 2012 and 2-314 (47
20 O.S. Supp. 2019, Sections 2-300 and 2-304), which
21 relate to definitions and certain irrevocable
22 elections for participation in the retirement system;
23 modifying definitions; providing for membership by
24 certain law enforcement officers of institutions
within The Oklahoma State System of Higher Education;
modifying employer and employee contribution rates
for certain members of the System; modifying
provisions related to elections; providing for Board
of Regents to make irrevocable elections with respect
to certain police officers employed by institutions;
providing for membership in the Oklahoma Law
Enforcement Retirement System; providing for transfer
of service credit from the Teachers' Retirement
System of Oklahoma; prescribing procedures for
payment of actuarial cost with respect to certain
service credit; providing for elections with respect
to police officers based upon designation of first

1 participating service; providing for codification;
2 and providing effective dates.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as
6 last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.
7 2019, Section 3103), is amended to read as follows:

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

10 1. "Amendment" means any amendment, including a substitute
11 bill, made to a retirement bill by any committee of the House or
12 Senate, any conference committee of the House or Senate or by the
13 House or Senate;

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

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

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

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

6 a. which does not affect the cost or funding factors of a
7 retirement system, or

8 b. which affects such factors only in a manner which does
9 not:

10 (1) grant a benefit increase under the retirement
11 system affected by the bill,

12 (2) create an actuarial accrued liability for or
13 increase the actuarial accrued liability of the
14 retirement system affected by the bill, or

15 (3) increase the normal cost of the retirement system
16 affected by the bill,

17 c. which authorizes the purchase by an active member of
18 the retirement system, at the actuarial cost for the
19 purchase as computed pursuant to the statute in effect
20 on the effective date of the measure allowing such
21 purchase, of years of service for purposes of reaching
22 a normal retirement date in the applicable retirement
23 system, but which cannot be used in order to compute
24

- 1 the number of years of service for purposes of
2 computing the retirement benefit for the member,
- 3 d. which provides for the computation of a service-
4 connected disability retirement benefit for members of
5 the Oklahoma Law Enforcement Retirement System
6 pursuant to Section 2-305 of Title 47 of the Oklahoma
7 Statutes if the members were unable to complete twenty
8 (20) years of service as a result of the disability,
- 9 e. which requires membership in the defined benefit plan
10 authorized by Section 901 et seq. of Title 74 of the
11 Oklahoma Statutes for persons whose first elected or
12 appointed service occurs on or after November 1, 2018,
13 if such persons had any prior service in the Oklahoma
14 Public Employees Retirement System prior to November
15 1, 2015, ~~or~~
- 16 f. which provides for a one-time increase in retirement
17 benefits if the increase in retirement benefits is not
18 a permanent increase in the gross annual retirement
19 benefit payable to a member or beneficiary, occurs
20 only once pursuant to a single statutory authorization
21 and does not exceed:
- 22 (1) the lesser of two percent (2%) of the gross
23 annual retirement benefit of the member or One
24 Thousand Dollars (\$1,000.00) and requires that

1 the benefit may only be provided if the funded
2 ratio of the affected retirement system would not
3 be less than sixty percent (60%) but not greater
4 than eighty percent (80%) after the benefit
5 increase is paid,

6 (2) the lesser of two percent (2%) of the gross
7 annual retirement benefit of the member or One
8 Thousand Two Hundred Dollars (\$1,200.00) and
9 requires that the benefit may only be provided if
10 the funded ratio of the affected retirement
11 system would be greater than eighty percent (80%)
12 but not greater than one hundred percent (100%)
13 after the benefit increase is paid,

14 (3) the lesser of two percent (2%) of the gross
15 annual retirement benefit of the member or One
16 Thousand Four Hundred Dollars (\$1,400.00) and
17 requires that the benefit may only be provided if
18 the funded ratio of the affected retirement
19 system would be greater than one hundred percent
20 (100%) after the benefit increase is paid, or

21 (4) the greater of two percent (2%) of the gross
22 annual retirement benefit of the volunteer
23 firefighter or One Hundred Dollars (\$100.00) for
24 persons who retired from the Oklahoma

1 Firefighters Pension and Retirement System as
2 volunteer firefighters and who did not retire
3 from the Oklahoma Firefighters Pension and
4 Retirement System as a paid firefighter; or
5 g. which provides for the purchase of service credit
6 in the Oklahoma Law Enforcement Retirement System
7 using an actuarial cost computation as authorized
8 pursuant to Section 5 of this act.

9 As used in this subparagraph, "funded ratio" means the
10 figure derived by dividing the actuarial value of
11 assets of the applicable retirement system by the
12 actuarial accrued liability of the applicable
13 retirement system.

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

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

1 7. "Retirement bill" means any bill or joint resolution
2 introduced or any bill or joint resolution amended by a member of
3 the Oklahoma Legislature which creates or amends any law directly
4 affecting a retirement system. A retirement bill shall not mean a
5 bill or resolution that impacts the revenue of any state tax in
6 which a portion of the revenue generated from such tax is earmarked
7 for the benefit of a retirement system;

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

11 9. "Retirement system" means the Teachers' Retirement System of
12 Oklahoma, the Oklahoma Public Employees Retirement System, the
13 Uniform Retirement System for Justices and Judges, the Oklahoma
14 Firefighters Pension and Retirement System, the Oklahoma Police
15 Pension and Retirement System, the Oklahoma Law Enforcement
16 Retirement System, or a retirement system established after January
17 1, 2006.

18 SECTION 2. AMENDATORY 47 O.S. 2011, Section 2-300, as
19 amended by Section 1, Chapter 383, O.S.L. 2015 (47 O.S. Supp. 2019,
20 Section 2-300), is amended to read as follows:

21 Section 2-300. As used in Section 2-300 et seq. of this title:

22 1. "System" means the Oklahoma Law Enforcement Retirement
23 System;

24 2. "Act" means Section 2-300 et seq. of this title;

1 3. "Board" means the Oklahoma Law Enforcement Retirement Board
 2 of the System;

3 4. "Executive Director" means the managing officer of the
 4 System employed by the Board;

5 5. "Fund" means the Oklahoma Law Enforcement Retirement Fund;

6 6. a. "Member" means:

7 (1) all commissioned law enforcement officers of the
 8 Oklahoma Highway Patrol Division of the
 9 Department of Public Safety who have obtained
 10 certification from the Council on Law Enforcement
 11 Education and Training, and all cadets of a
 12 Patrol Academy of the Department of Public
 13 Safety,

14 (2) law enforcement officers and criminalists of the
 15 Oklahoma State Bureau of Investigation,

16 (3) law enforcement officers of the Oklahoma State
 17 Bureau of Narcotics and Dangerous Drugs Control
 18 designated to perform duties in the investigation
 19 and prevention of crime and the enforcement of
 20 the criminal laws of this state,

21 (4) law enforcement officers of the Oklahoma
 22 Alcoholic Beverage Laws Enforcement Commission
 23 designated to perform duties in the investigation
 24

1 and prevention of crime and the enforcement of
2 the criminal laws of this state,

3 (5) employees of the Communications Section of the
4 Oklahoma Highway Patrol Division, radio
5 technicians, and tower technicians of the
6 Department of Public Safety, who are employed in
7 any such capacity as of June 30, 2008, and who
8 remain employed on or after July 1, 2008, until a
9 termination of service, or until a termination of
10 service with an election of a vested benefit from
11 the System, or until retirement. Effective July
12 1, 2008, a person employed for the first time as
13 an employee of the Department of Public Safety in
14 the Communications Division as an information
15 systems telecommunication technician of the
16 Department of Public Safety shall not be a member
17 of the System,

18 (6) park rangers of the Oklahoma Tourism and
19 Recreation Department and any park manager or
20 park supervisor of the Oklahoma Tourism and
21 Recreation Department who was employed in such a
22 position prior to July 1, 1985, and who elects on
23 or before September 1, 1996, to participate in
24 the System, ~~and~~

1 (7) inspectors of the Board of Pharmacy, and
2 (8) law enforcement officers employed either by an
3 institution within The Oklahoma State System of
4 Higher Education that makes an election
5 authorized pursuant to Section 5 of this act and
6 who further elects on an individual basis to
7 participate in the System or law enforcement
8 officers employed by an institution within The
9 Oklahoma State System of Higher Education whose
10 first participating service in such employment
11 occurs on or after November 1, 2020, for an
12 institution that makes an election authorized
13 pursuant to Section 5 of this act.

14 b. Effective July 1, 1987, a member does not include a
15 "leased employee" as defined under Section 414(n) (2)
16 of the Internal Revenue Code of 1986, as amended.
17 Effective July 1, 1999, any individual who agrees with
18 the participating employer that the individual's
19 services are to be performed as a leased employee or
20 an independent contractor shall not be a member
21 regardless of any classification as a common-law
22 employee by the Internal Revenue Service or any other
23 governmental agency, or any court of competent
24 jurisdiction.

1 c. All persons who shall be offered a position of a
2 commissioned law enforcement officer as an employee of
3 one of the agencies described in subparagraph a of
4 this paragraph shall participate in the System upon
5 the person meeting the requisite post-offer-pre-
6 employment physical examination standards which shall
7 be subject to the following requirements:

8 (1) all such persons shall be of good moral
9 character, free from deformities, mental or
10 physical conditions, or disease and alcohol or
11 drug addiction which would prohibit the person
12 from performing the duties of a law enforcement
13 officer,

14 (2) the physical-medical examination shall pertain to
15 age, sight, hearing, agility and other conditions
16 the requirements of which shall be established by
17 the Board,

18 (3) the person shall be required to meet the
19 conditions of this subsection prior to the
20 beginning of actual employment but after an offer
21 of employment has been tendered by a
22 participating employer,

23 (4) the Board shall have authority to deny or revoke
24 membership of any person submitting false

1 information in such person's membership
2 application, and

- 3 (5) the Board shall have final authority in
4 determining eligibility for membership in the
5 System, pursuant to the provisions of this
6 subsection;

7 7. "Normal retirement date" means the date at which the member
8 is eligible to receive the unreduced payments of the member's
9 accrued retirement benefit. Such date shall be the first day of the
10 month coinciding with or following the date the member:

- 11 a. completes twenty (20) years of vesting service, or
12 b. attains sixty-two (62) years of age with ten (10)
13 years of vesting service, or
14 c. attains sixty-two (62) years of age, if:

15 (1) the member has been transferred to this System
16 from the Oklahoma Public Employees Retirement
17 System on or after July 1, 1981, and

18 (2) the member would have been vested had the member
19 continued to be a member of the Oklahoma Public
20 Employees Retirement System.

21 With respect to distributions under the System made for calendar
22 years beginning on or after January 1, 2005, the System shall apply
23 the minimum distribution incidental benefit requirements, incidental
24 benefit requirements, and minimum distribution requirements of

1 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
2 in accordance with the final regulations under Section 401(a)(9) of
3 the Internal Revenue Code of 1986, as amended, which were issued in
4 April 2002 and June 2004, notwithstanding any provision of the
5 System to the contrary. With respect to distributions under the
6 System made for calendar years beginning on or after January 1,
7 2001, through December 31, 2004, the System shall apply the minimum
8 distribution requirements and incidental benefit requirements of
9 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
10 in accordance with the regulations under Section 401(a)(9) of the
11 Internal Revenue Code of 1986, as amended, which were proposed in
12 January 2001, notwithstanding any provision of the System to the
13 contrary.

14 Effective July 1, 1989, notwithstanding any other provision
15 contained herein to the contrary, in no event shall commencement of
16 distribution of the accrued retirement benefit of a member be
17 delayed beyond April 1 of the calendar year following the later of:
18 (1) the calendar year in which the member reaches seventy and one-
19 half (70 1/2) years of age; or (2) the actual retirement date of the
20 member. The preceding sentence does not allow deferral of benefit
21 commencement beyond the age of sixty-five (65).

22 Effective September 8, 2009, notwithstanding anything to the
23 contrary of the System, the System, which as a governmental plan
24 (within the meaning of Section 414(d) of the Internal Revenue Code

1 of 1986, as amended), is treated as having complied with Section
2 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all
3 years to which Section 401(a)(9) of the Internal Revenue Code of
4 1986, as amended, applies to the System if the System complies with
5 a reasonable and good faith interpretation of Section 401(a)(9) of
6 the Internal Revenue Code of 1986, as amended.

7 A member who was required to join the System effective July 1,
8 1980, because of the transfer of the employing agency from the
9 Oklahoma Public Employees Retirement System to the System, and was
10 not a member of the Oklahoma Public Employees Retirement System on
11 the date of such transfer shall be allowed to receive credit for
12 prior law enforcement service rendered to this state, if the member
13 is not receiving or eligible to receive retirement credit or
14 benefits for such service in any other public retirement system,
15 upon payment to the System of the employee contribution the member
16 would have been subject to had the member been a member of the
17 System at the time, plus five percent (5%) interest. Service credit
18 received pursuant to this paragraph shall be used in determining the
19 member's retirement benefit, and shall be used in determining years
20 of service for retirement or vesting purposes;

21 8. "Actual paid base salary" means the salary received by a
22 member, excluding payment for any accumulated leave or uniform
23 allowance. Salary shall include any amount of nonelective salary
24 reduction under Section 414(h) of the Internal Revenue Code of 1986;

1 9. "Final average salary" means the average of the highest
2 thirty (30) consecutive complete months of actual paid gross salary.
3 Gross salary shall include any amount of elective salary reduction
4 under Section 457 of the Internal Revenue Code of 1986, as amended,
5 and any amount of nonelective salary reduction under Section 414(h)
6 of the Internal Revenue Code of 1986, as amended. Effective July 1,
7 1992, gross salary shall include any amount of elective salary
8 reduction under Section 125 of the Internal Revenue Code of 1986, as
9 amended. Effective July 1, 1998, gross salary shall include any
10 amount of elective salary reduction not includable in the gross
11 income of the member under Section 132(f)(4) of the Internal Revenue
12 Code of 1986, as amended. Effective July 1, 1998, for purposes of
13 determining a member's compensation, any contribution by the member
14 to reduce his or her regular cash remuneration under Section
15 132(f)(4) of the Internal Revenue Code of 1986, as amended, shall be
16 treated as if the member did not make such an election. Only salary
17 on which required contributions have been made may be used in
18 computing the final average salary. Gross salary shall not include
19 severance pay.

20 In addition to other applicable limitations, and notwithstanding
21 any other provision to the contrary, for plan years beginning on or
22 after July 1, 2002, the annual gross salary of each "Noneligible
23 Member" taken into account under the System shall not exceed the
24 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")

1 annual salary limit. The EGTRRA annual salary limit is Two Hundred
2 Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for
3 increases in the cost of living in accordance with Section
4 401(a)(17)(B) of the Internal Revenue Code of 1986, as amended. The
5 annual salary limit in effect for a calendar year applies to any
6 period, not exceeding twelve (12) months, over which salary is
7 determined ("determination period") beginning in such calendar year.
8 If a determination period consists of fewer than twelve (12) months,
9 the EGTRRA salary limit will be multiplied by a fraction, the
10 numerator of which is the number of months in the determination
11 period, and the denominator of which is twelve (12). For purposes
12 of this section, a "Noneligible Member" is any member who first
13 became a member during a plan year commencing on or after July 1,
14 1996.

15 For plan years beginning on or after July 1, 2002, any reference
16 in the System to the annual salary limit under Section 401(a)(17) of
17 the Internal Revenue Code of 1986, as amended, shall mean the EGTRRA
18 salary limit set forth in this provision.

19 Effective January 1, 2008, gross salary for a plan year shall
20 also include gross salary, as described above, for services, but
21 paid by the later of two and one-half (2 1/2) months after a
22 member's severance from employment or the end of the calendar year
23 that includes the date the member terminated employment, if it is a
24 payment that, absent a severance from employment, would have been

1 paid to the member while the member continued in employment with the
2 employer.

3 Effective January 1, 2008, any payments not described above
4 shall not be considered gross salary if paid after severance from
5 employment, even if they are paid by the later of two and one-half
6 (2 1/2) months after the date of severance from employment or the
7 end of the calendar year that includes the date of severance from
8 employment, except payments to an individual who does not currently
9 perform services for the employer by reason of qualified military
10 service within the meaning of Section 414(u)(5) of the Internal
11 Revenue Code of 1986, as amended, to the extent these payments do
12 not exceed the amounts the individual would have received if the
13 individual had continued to perform services for the employer rather
14 than entering qualified military service.

15 Effective January 1, 2008, back pay, within the meaning of
16 Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be
17 treated as gross salary for the limitation year to which the back
18 pay relates to the extent the back pay represents wages and
19 compensation that would otherwise be included in this definition.

20 Effective for years beginning after December 31, 2008, gross
21 salary shall also include differential wage payments under Section
22 414(u)(12) of the Internal Revenue Code of 1986, as amended;

23 10. "Credited service" means the period of service used to
24 determine the amount of benefits payable to a member. Credited

1 service shall consist of the period during which the member
2 participated in the System or the predecessor Plan as an active
3 employee in an eligible membership classification, plus any service
4 prior to the establishment of the predecessor Plan which was
5 credited under the predecessor Plan and for law enforcement officers
6 and criminalists of the Oklahoma State Bureau of Investigation and
7 the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control
8 who became members of the System on July 1, 1980, any service
9 credited under the Oklahoma Public Employees Retirement System as of
10 June 30, 1980, and for members of the Communications and Lake Patrol
11 Divisions of the Oklahoma Department of Public Safety, who became
12 members of the System on July 1, 1981, any service credited under
13 the predecessor Plan or the Oklahoma Public Employees Retirement
14 System as of June 30, 1981, and for law enforcement officers of the
15 Alcoholic Beverage Laws Enforcement Commission who became members of
16 the System on July 1, 1982, any service credited under the Oklahoma
17 Public Employees Retirement System as of June 30, 1982, and for park
18 rangers of the Oklahoma Tourism and Recreation Department who became
19 members of the System on July 1, 1985, any service credited under
20 the Oklahoma Public Employees Retirement System as of June 30, 1985,
21 and for inspectors of the Oklahoma State Board of Pharmacy who
22 became members of the System on July 1, 1986, any service credited
23 under the Oklahoma Public Employees Retirement System as of June 30,
24 1986, for law enforcement officers of the Oklahoma Capitol Patrol

1 Division of the Department of Public Safety who became members of
2 the System effective July 1, 1993, any service credited under the
3 Oklahoma Public Employees Retirement System as of June 30, 1993, and
4 for all commissioned officers in the Gunsmith/Ammunition Reloader
5 Division of the Department of Public Safety who became members of
6 the System effective July 1, 1994, any service credited under the
7 Oklahoma Public Employees Retirement System as of June 30, 1994, and
8 for the park managers or park supervisors of the Oklahoma Tourism
9 and Recreation Department who were employed in such a position prior
10 to July 1, 1985, and who elect to become members of the System
11 effective September 1, 1996, any service transferred pursuant to
12 subsection C of Section 2-309.6 of this title and any service
13 purchased pursuant to subsection B of Section 2-307.2 of this title.
14 Effective August 5, 1993, an authorized leave of absence shall
15 include a period of absence pursuant to the Family and Medical Leave
16 Act of 1993;

17 11. "Disability" means a physical or mental condition which, in
18 the judgment of the Board, totally and presumably permanently
19 prevents the member from engaging in the usual and customary duties
20 of the occupation of the member and thereafter prevents the member
21 from performing the duties of any occupation or service for which
22 the member is qualified by reason of training, education or
23 experience. A person is not under a disability when capable of
24

1 performing a service to the employer, regardless of occupation,
2 providing the salary of the employee is not diminished thereby;

3 12. "Limitation year" means the year used in applying the
4 limitations of Section 415 of the Internal Revenue Code of 1986,
5 which year shall be the calendar year;

6 13. "Line of duty" means any action which a member whose
7 primary function is crime control or reduction or enforcement of the
8 criminal law is obligated or authorized by rule, regulations,
9 condition of employment or service, or law to perform, including
10 those social, ceremonial, or athletic functions to which the member
11 is assigned, or for which the member is compensated, by the agency
12 the member serves;

13 14. "Personal injury" or "injury" means any traumatic injury as
14 well as diseases which are caused by or result from such an injury,
15 but not occupational diseases;

16 15. "Catastrophic nature" means consequences of an injury that
17 permanently prevent an individual from performing any gainful work;

18 16. "Traumatic injury" means a wound or a condition of the body
19 caused by external force, including injuries inflicted by bullets,
20 explosives, sharp instruments, blunt objects or other physical
21 blows, chemicals, electricity, climatic conditions, infectious
22 diseases, radiation, and bacteria, but excluding stress and strain;
23 and

1 17. "Beneficiary" means the individual designated by the member
2 on a beneficiary designation form supplied by the Oklahoma Law
3 Enforcement Retirement System, or if there is no designated
4 beneficiary or if the designated beneficiary predeceases the member,
5 the estate of the member. If the member's spouse is not designated
6 as the sole primary beneficiary, the member's spouse must sign a
7 consent.

8 SECTION 3. AMENDATORY 47 O.S. 2011, Section 2-304, as
9 amended by Section 1, Chapter 307, O.S.L. 2012 (47 O.S. Supp. 2019,
10 Section 2-304), is amended to read as follows:

11 Section 2-304. A. ~~The~~ Except as otherwise provided by
12 subsection D of this section, the Department of Public Safety, the
13 Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of
14 Narcotics and Dangerous Drugs Control, the Alcoholic Beverage
15 Control Board, the Oklahoma Tourism and Recreation Department and
16 the State Board of Pharmacy shall make contributions to the fund as
17 follows:

18 The Department of Public Safety, Oklahoma State Bureau of
19 Investigation, Oklahoma State Bureau of Narcotics and Dangerous
20 Drugs Control, the Alcoholic Beverage Control Board, the Oklahoma
21 Tourism and Recreation Department and the State Board of Pharmacy
22 shall contribute to the fund an amount equal to eleven percent (11%)
23 of the actual paid base salary of each member.

1 B. ~~Each~~ Except as otherwise provided by subsection D of this
2 section, each member of the System shall make contributions to the
3 fund in an amount equal to eight percent (8%) of the actual paid
4 base salary of the member.

5 Member contributions shall be deducted by each participating
6 employer for such benefits as the Board is by law authorized to
7 administer and shall be remitted monthly, or as the Board may
8 otherwise provide, for deposit in the fund.

9 C. Each employer shall pick up under the provisions of Section
10 414(h) (2) of the Internal Revenue Code of 1986 and pay the
11 contribution which the member is required by law to make to the
12 System for all compensation earned after December 31, 1989.
13 Although the contributions so picked up are designated as member
14 contributions, such contributions shall be treated as contributions
15 being paid by the employer in lieu of contributions by the member in
16 determining tax treatment under the Internal Revenue Code of 1986
17 and such picked up contributions shall not be includable in the
18 gross income of the member until such amounts are distributed or
19 made available to the member or the beneficiary of the member. The
20 member, by the terms of this System, shall not have any option to
21 choose to receive the contributions so picked up directly and the
22 picked up contributions must be paid by the employer to the System.

23 Member contributions which are picked up shall be treated in the
24 same manner and to the same extent as member contributions made

1 prior to the date on which member contributions were picked up by
2 the participating employer. Member contributions so picked up shall
3 be included in gross salary for purposes of determining benefits and
4 contributions under the System.

5 The employer shall pay the member contributions from the same
6 source of funds used in paying salary to the member, by effecting an
7 equal cash reduction in gross salary of the member.

8 D. With respect to the members of the System who make the
9 election to participate in the Oklahoma Law Enforcement Retirement
10 System as provided by Section 5 of this act, the employer
11 contribution shall be eleven and two-tenths percent (11.2%) and the
12 employee contribution shall be eight percent (8%).

13 SECTION 4. AMENDATORY 47 O.S. 2011, Section 2-314, is
14 amended to read as follows:

15 Section 2-314. A. The Board of Regents of the University of
16 Oklahoma and/or the Board of Regents for the Oklahoma Agricultural
17 and Mechanical Colleges may make an irrevocable written election for
18 the University of Oklahoma and/or Oklahoma State University to
19 become participating employers in the Oklahoma Law Enforcement
20 Retirement System for police officers who are CLEET-certified and
21 employed by the University of Oklahoma and/or Oklahoma State
22 University. The Board of Regents of the University of Oklahoma
23 and/or the Board of Regents for the Oklahoma Agricultural and
24

1 Mechanical Colleges shall send written notice of the election to the
2 Oklahoma Law Enforcement Retirement System.

3 B. Beginning the following month after the System receives the
4 written notice, the University of Oklahoma and/or Oklahoma State
5 University and all active police officers who are CLEET_certified
6 and hired on or after the date of the election shall participate in
7 and make contributions to the System as other participating
8 employers and members of the System.

9 C. Upon election by the Board, pursuant to subsection A of this
10 section, active CLEET_certified police employed prior to the date of
11 the election and who were participating in the Teachers' Retirement
12 System of Oklahoma, may, within three (3) months of the date of the
13 election, make an irrevocable written election to participate in the
14 Oklahoma Law Enforcement Retirement System and file the written
15 election with the Teachers' Retirement System of Oklahoma and the
16 Oklahoma Law Enforcement Retirement System. Such police officers
17 who make the election to transfer shall be transferred to the
18 Oklahoma Law Enforcement Retirement System subject to the following:

19 1. Upon the date of election of the police officer, the police
20 officer shall cease accruing benefits in the Teachers' Retirement
21 System of Oklahoma and shall commence accruing benefits in the
22 Oklahoma Law Enforcement Retirement System;

23 2. Prior to the beginning of the month following receipt of the
24 police officers' election by Teachers' Retirement System of

1 Oklahoma, the Teachers' Retirement System of Oklahoma shall transfer
2 to the Oklahoma Law Enforcement Retirement System all employee
3 contributions and employer contributions plus accrued interest. The
4 Teachers' Retirement System of Oklahoma shall also send to the
5 Oklahoma Law Enforcement Retirement System the retirement records of
6 the transferring police officer;

7 3. To receive service credit accrued by such police officer
8 prior to the election, or prior to the date as of which the person
9 making the election ceases to be a member of the Teachers'
10 Retirement System of Oklahoma, whichever date occurs last, the
11 member shall pay the difference between the amount transferred by
12 the Teachers' Retirement System of Oklahoma to the Oklahoma Law
13 Enforcement Retirement System in paragraph 2 of this subsection and
14 the amount determined by the Board of Trustees pursuant to Section
15 2-307.5 of Title 47 of the Oklahoma Statutes. The police officer
16 shall elect to either pay any difference to receive full credit for
17 the years sought to be transferred or receive prorated service
18 credit for only the amount received from the Teachers' Retirement
19 System of Oklahoma pursuant to this subsection. Payments made by
20 electing police officers pursuant to this paragraph shall be made
21 pursuant to subsection B of Section 2-307.5 of Title 47 of the
22 Oklahoma Statutes;

23 4. Service credit accrued by a police officer while a member of
24 the Teachers' Retirement System of Oklahoma shall be treated as

1 credited service for such transferring police officer in the
2 Teachers' Retirement System of Oklahoma if the police officer is not
3 receiving or eligible to receive service credit or benefits from
4 said service in any other public retirement system and the member
5 has not received service credit for the same years of service
6 pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the
7 Oklahoma Statutes. Provided further, that only transferred credited
8 service related to police service with the University of Oklahoma or
9 Oklahoma State University shall be included in the determination of
10 a police officer's normal retirement date or vesting date; and

11 5. All service credit with the Teachers' Retirement System of
12 Oklahoma which is ineligible for transfer to the Oklahoma Law
13 Enforcement Retirement System shall be canceled.

14 D. Upon election by the Board, pursuant to subsection A of this
15 section, active CLEET-certified police officers employed prior to
16 the date of the election and who were not participating in the
17 Teachers' Retirement System of Oklahoma, may, within three (3)
18 months of the date of the election, make an irrevocable written
19 election to participate in the Oklahoma Law Enforcement Retirement
20 System and file the written election with the Oklahoma Law
21 Enforcement Retirement System. Beginning the following month after
22 the System for such police officers receives the police officer's
23 written election, the University of Oklahoma and/or Oklahoma State
24 University and the electing police officer shall participate and

1 make contributions to the System as other participating employers
2 and members of the System.

3 E. The provisions of this section shall not be modified
4 pursuant to the provisions of Section 5 of this act and any
5 elections made pursuant to the provisions of this section shall
6 continue in full force and effect.

7 SECTION 5. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2-314.1 of Title 47, unless
9 there is created a duplication in numbering, reads as follows:

10 A. The Board of Regents for an Oklahoma public institution of
11 higher education may make an irrevocable written election for each
12 such Oklahoma institution of higher education which is subject to
13 the governing authority of its Board of Regents to become a
14 participating employer in the Oklahoma Law Enforcement Retirement
15 System for police officers who are CLEET-certified and employed by
16 the Oklahoma institution of higher education with respect to which
17 the irrevocable election is made. The Board of Regents shall send
18 written notice of the election to the Oklahoma Law Enforcement
19 Retirement System for each institution with respect to which an
20 irrevocable election is made.

21 B. Beginning the following month after the System receives the
22 written notice, the Oklahoma institution of higher education and,
23 subject to the election made by each police officer pursuant to
24 subsection C of this section, all active police officers who are

1 CLEET-certified as of the date of the election and all police
2 officers who are CLEET-certified who are hired on or after the date
3 of the election shall participate in and make contributions to the
4 System as other participating employers and members of the System.

5 C. Upon election by the Board of Regents, pursuant to
6 subsection A of this section, active CLEET-certified police officers
7 employed prior to the date of the election and who were
8 participating in the Teachers' Retirement System of Oklahoma, may,
9 within three (3) months of the date of the irrevocable election made
10 for the applicable institution, make an irrevocable individual
11 written election to participate in the Oklahoma Law Enforcement
12 Retirement System and file the written election with the Teachers'
13 Retirement System of Oklahoma and the Oklahoma Law Enforcement
14 Retirement System. Such police officers who make the election to
15 transfer shall be transferred to the Oklahoma Law Enforcement
16 Retirement System subject to the following:

17 1. Upon the date of election of the police officer, the police
18 officer shall cease accruing benefits in the Teachers' Retirement
19 System of Oklahoma and shall commence accruing benefits in the
20 Oklahoma Law Enforcement Retirement System;

21 2. Prior to the beginning of the month following receipt of the
22 police officers' election by the Teachers' Retirement System of
23 Oklahoma, the Teachers' Retirement System of Oklahoma shall transfer
24 to the Oklahoma Law Enforcement Retirement System all employee

1 contributions and employer contributions plus accrued interest. The
2 Teachers' Retirement System of Oklahoma shall also send to the
3 Oklahoma Law Enforcement Retirement System the retirement records of
4 the transferring police officer;

5 3. To receive service credit accrued by such police officer in
6 the Teachers' Retirement System prior to the individual election
7 made by the police officer, or prior to the date as of which the
8 person making the election ceases to be a member of the Teachers'
9 Retirement System of Oklahoma, whichever date occurs last, the
10 police officer shall pay the difference between the amount
11 transferred by the Teachers' Retirement System of Oklahoma to the
12 Oklahoma Law Enforcement Retirement System in paragraph 2 of this
13 subsection and the amount determined by the Board of Trustees of the
14 Oklahoma Law Enforcement Retirement System pursuant to Section 2-
15 307.5 of Title 47 of the Oklahoma Statutes. The police officer
16 shall elect to either pay any difference to receive full credit for
17 the years sought to be transferred or receive prorated service
18 credit for only the amount received from the Teachers' Retirement
19 System of Oklahoma pursuant to this subsection. Payments made by
20 electing police officers pursuant to this paragraph shall be made
21 pursuant to subsection B of Section 2-307.5 of Title 47 of the
22 Oklahoma Statutes;

23 4. Service credit accrued by a police officer while a member of
24 the Teachers' Retirement System of Oklahoma shall be treated as

1 credited service for such transferring police officer in the
2 Teachers' Retirement System of Oklahoma if the police officer is not
3 receiving or eligible to receive service credit or benefits from
4 said service in any other public retirement system and the member
5 has not received service credit for the same years of service
6 pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the
7 Oklahoma Statutes. Provided further, that only transferred credited
8 service related to police service with the applicable institution
9 within The Oklahoma State System of Higher Education shall be
10 included in the determination of a police officer's normal
11 retirement date or vesting date; and

12 5. All service credit with the Teachers' Retirement System of
13 Oklahoma which is ineligible for transfer to the Oklahoma Law
14 Enforcement Retirement System shall be canceled.

15 D. Upon election by the Board of Regents for the applicable
16 institution within The Oklahoma State System of Higher Education,
17 pursuant to subsection A of this section, active CLEET-certified
18 police officers employed prior to the date of the election and who
19 were not participating in the Teachers' Retirement System of
20 Oklahoma, may, within three (3) months of the date of the election,
21 make an irrevocable written election to participate in the Oklahoma
22 Law Enforcement Retirement System and file the written election with
23 the Oklahoma Law Enforcement Retirement System. Beginning the
24 following month after the System receives the police officer's

1 individual written election, the institution making this election
2 and the electing police officer shall participate and make
3 contributions to the System as other participating employers and
4 members of the System.

5 SECTION 6. Section 1 of this act shall become effective October
6 1, 2020.

7 SECTION 7. Sections 2 through 5 of this act shall become
8 effective November 1, 2020.

9
10 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
11 PENSIONS, dated 02/26/2020 - DO PASS, As Amended and Coauthored.

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