

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1340

By: McDaniel

AS INTRODUCED

An Act relating to public retirement systems; providing for distribution to certain retired members of the Oklahoma Firefighters Pension and Retirement System; providing for distribution to certain retired members of the Oklahoma Police Pension and Retirement System; providing for distribution to certain retired members of the Uniform Retirement System for Justices and Judges; providing for distribution to certain retired members of the Oklahoma Law Enforcement Retirement System; providing for distribution to certain retired members of the Teachers' Retirement System of Oklahoma; providing for distribution to certain retired members of the Oklahoma Public Employees Retirement System; specifying amount of distribution; imposing limitation based upon attained age as of designated date; authorizing payment of distribution to designated beneficiaries; requiring legislative authorization for distributions from assets of public retirement systems; providing exception for distributions authorized by certain statutory provisions; authorizing specified distribution related to amount of gross monthly pension benefit; imposing restriction based upon funded ratio of retirement system; defining term; limiting frequency of additional distributions; providing for codification; and providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 49-143.7 of Title 11, unless
3 there is created a duplication in numbering, reads as follows:

4 Effective November 1, 2018, the Oklahoma Firefighters Pension
5 and Retirement System shall make a one-time distribution to the
6 retired members of the System or the designated beneficiary of the
7 member in the amount of One Thousand Dollars (\$1,000.00) if the
8 retired member or beneficiary, as applicable, has attained the age
9 of sixty-five (65) years as of November 1, 2018.

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 50-136.9 of Title 11, unless
12 there is created a duplication in numbering, reads as follows:

13 Effective November 1, 2018, the Oklahoma Police Pension and
14 Retirement System shall make a one-time distribution to the retired
15 members of the System or the designated beneficiary of the member in
16 the amount of One Thousand Dollars (\$1,000.00) if the retired member
17 or beneficiary, as applicable, has attained the age of sixty-five
18 (65) years as of November 1, 2018.

19 SECTION 3. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 1104K of Title 20, unless there
21 is created a duplication in numbering, reads as follows:

22 Effective November 1, 2018, the Uniform Retirement System for
23 Justices and Judges shall make a one-time distribution to the
24 retired members of the System or the designated beneficiary of the

1 member in the amount of One Thousand Dollars (\$1,000.00) if the
2 retired member or beneficiary, as applicable, has attained the age
3 of sixty-five (65) years as of November 1, 2018.

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

7 Effective November 1, 2018, the Oklahoma Law Enforcement Pension
8 and Retirement System shall make a one-time distribution to the
9 retired members of the System or the designated beneficiary of the
10 member in the amount of One Thousand Dollars (\$1,000.00) if the
11 retired member or beneficiary, as applicable, has attained the age
12 of sixty-five (65) years as of November 1, 2018.

13 SECTION 5. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 17-116.22 of Title 70, unless
15 there is created a duplication in numbering, reads as follows:

16 Effective November 1, 2018, the Teachers' Retirement System of
17 Oklahoma shall make a one-time distribution to the retired members
18 of the System or the designated beneficiary of the member in the
19 amount of One Thousand Dollars (\$1,000.00) if the retired member or
20 beneficiary, as applicable, has attained the age of sixty-five (65)
21 years as of November 1, 2018.

22 SECTION 6. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 930.11 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 Effective November 1, 2018, the Oklahoma Public Employees
2 Retirement System shall make a one-time distribution to the retired
3 members of the System or the designated beneficiary of the member in
4 the amount of One Thousand Dollars (\$1,000.00) if the retired member
5 or beneficiary, as applicable, has attained the age of sixty-five
6 (65) years as of November 1, 2018.

7 SECTION 7. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 3501 of Title 62, unless there
9 is created a duplication in numbering, reads as follows:

10 Effective January 1, 2019, and for any future distribution to
11 retirees or their beneficiaries from the assets of any public
12 retirement system as defined by this section, any distribution of
13 the assets of any of the public retirement systems, other than those
14 benefits provided for by the provisions of the respective retirement
15 system statutes, shall require a specific authorization by the
16 Legislature pursuant to law. The provisions of this section shall
17 be applicable to:

- 18 1. The Oklahoma Firefighters Pension and Retirement System;
 - 19 2. The Oklahoma Police Pension and Retirement System;
 - 20 3. The Uniform Retirement System for Justices and Judges;
 - 21 4. The Oklahoma Law Enforcement Retirement System;
 - 22 5. The Teachers' Retirement System of Oklahoma; and
 - 23 6. The Oklahoma Public Employees Retirement System.
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1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3502 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Effective January 1, 2019, if specifically authorized by the
5 Legislature pursuant to the requirements of Section 7 of this act,
6 distribution of an additional one-time benefit during a calendar
7 year equal to the amount of one (1) gross monthly pension benefit
8 payment received by the retired member from their retirement system,
9 or received by the survivor of the retired member, may be paid to
10 the retired member, or their survivor if, after payment of the
11 benefit amount described by this subsection, the funded ratio of the
12 retirement system would equal or exceed one hundred percent (100%).

13 B. As used in subsection A of this section, "funded ratio"
14 shall mean the figure derived by dividing the actuarial value of
15 assets of the retirement system by the actuarial accrued liability
16 of the retirement system.

17 C. The provisions of subsection A of this section shall be
18 applicable to:

- 19 1. The Oklahoma Firefighters Pension and Retirement System;
- 20 2. The Oklahoma Police Pension and Retirement System;
- 21 3. The Uniform Retirement System for Justices and Judges;
- 22 4. The Oklahoma Law Enforcement Retirement System;
- 23 5. The Teachers' Retirement System of Oklahoma; and
- 24 6. The Oklahoma Public Employees Retirement System.

1 D. Notwithstanding any other provision of law, the distribution
2 authorized by this section, pursuant to a separate and specific
3 legislative enactment for the authorization, shall not be made more
4 frequently than once every six (6) years if, and only if, the
5 requirement regarding the funded ratio of the applicable retirement
6 system is fulfilled after the payment of the distribution.

7 SECTION 9. This act shall become effective November 1, 2017.

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9 56-1-5128 MAH 01/17/17

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January 18, 2017

Representative Randy McDaniel
Room 438

Re: RBH No. 5128

RBH No. 5128 gives an one time payment of \$1,000 to the retired participants and beneficiaries of all the State's retirement systems, provided the retired and beneficiaries are at least age 65 on 11/1/2018.

RBH No. 5128 is a retirement bill having a fiscal impact as defined by the Oklahoma Pension Legislation Analysis Act. The bill increases the accrued liability of the systems.

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