

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 1391

By: Cantrell

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems; amending 62 O.S. 2022, Section 3103, as last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2022, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; amending 74 O.S. 2021, Section 914, which relates to retirement; modifying period of time required with respect to post-retirement employment; providing effective dates; providing for contingent effective dates based on outcome of approval of the emergency clause; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S 2022, Section 3103, as last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2022, Section 3103v4), is amended to read as follows:

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

1. "Amendment" means any amendment, including a substitute bill, made to a retirement bill by any committee of the House or

1 Senate, any conference committee of the House or Senate or by the
2 House or Senate;

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

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

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

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

18 a. which does not affect the cost or funding factors of a
19 retirement system,

20 b. which affects such factors only in a manner which does
21 not:

22 (1) grant a benefit increase under the retirement
23 system affected by the bill,

24

- (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 Oklahoma Statutes for persons whose first elected or appointed service occurs on or after November 1, 2018,

1 if such persons had any prior service in the Oklahoma
2 Public Employees Retirement System prior to November
3 1, 2015,

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

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

18 (2) the lesser of two percent (2%) of the gross
19 annual retirement benefit of the member or One
20 Thousand Two Hundred Dollars (\$1,200.00) and
21 requires that the benefit may only be provided if
22 the funded ratio of the affected retirement
23 system would be greater than eighty percent (80%)
24

1 but not greater than one hundred percent (100%)
2 after the benefit increase is paid,

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

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

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

23 g. which modifies the disability pension standard for
24 police officers who are members of the Oklahoma Police

1 Pension and Retirement System as provided by Section 3
2 of this act,

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

5 (1) Section 49-143.7 of Title 11 of the Oklahoma
6 Statutes,

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

9 (3) Section 1104K of Title 20 of the Oklahoma
10 Statutes,

11 (4) Section 2-305.12 of Title 47 of the Oklahoma
12 Statutes,

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

15 (6) Section 930.11 of Title 74 of the Oklahoma
16 Statutes, or

17 i. which modifies the computation of the line-of-duty
18 disability benefit pursuant to the provisions of this
19 act, or

20 j. which modifies the provisions related to post-
21 retirement employment for the Oklahoma Public
22 Employees Retirement System as provided by Section 2
23 of this act.
24

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

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

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

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

22 9. "Retirement system" means the Teachers' Retirement System of
23 Oklahoma, the Oklahoma Public Employees Retirement System, the
24 Uniform Retirement System for Justices and Judges, the Oklahoma

1 Firefighters Pension and Retirement System, the Oklahoma Police
2 Pension and Retirement System, the Oklahoma Law Enforcement
3 Retirement System, or a retirement system established after January
4 1, 2006.

5 SECTION 2. AMENDATORY 74 O.S. 2021, Section 914, is
6 amended to read as follows:

7 Section 914. A. The normal retirement date for a member of the
8 Oklahoma Public Employees Retirement System shall be as defined in
9 Section 902 of this title, provided members employed on or after
10 January 1, 1983, shall have six (6) or more years of full-time-
11 equivalent employment with a participating employer before receiving
12 any retirement benefits or if the member is a legislative session
13 employee of the Legislature, shall have three (3) or more years of
14 full-time-equivalent employment with a participating employer before
15 receiving any retirement benefits. In no event shall a normal
16 retirement date for a member be before six (6) months after the
17 entry date of the participating employer by whom he or she is
18 employed.

19 B. A member may be employed beyond the normal retirement date
20 by the appointing authority of the participating employer. However,
21 the member may not receive retirement pay so long as the member
22 continues employment under this act. Any member who has terminated
23 employment with a participating employer prior to the month
24 immediately preceding said member's normal retirement date must

1 elect a vested benefit pursuant to Section 917 of this title before
2 receiving any retirement benefits.

3 C. Notice for retirement shall be filed through the retirement
4 coordinator for the participating employer in such form and manner
5 as the Board shall prescribe; provided, that such notice for
6 retirement shall be filed with the office of the retirement system
7 at least sixty (60) days prior to the date selected for the member's
8 retirement; provided further, that the Executive Director may waive
9 the sixty-day notice for good cause shown as defined by the Board.

10 1. The participating employer shall provide the System with the
11 following information for a retiring member, no later than the
12 fifteenth day of the month of retirement: last day physically on
13 the job; last day on payroll; and final unused sick leave balance.

14 2. Failure to submit this information by the deadline, or
15 errors in submitted information that result in a disqualification of
16 retirement eligibility shall be the responsibility of the
17 participating employer. In cases where the error results in
18 disqualification of retirement eligibility, it is the participating
19 employer's responsibility to reemploy the member, or retain the
20 member on the payroll, for time period required to reach
21 eligibility, not exceeding two (2) months.

22 D. No retirement benefits shall be payable to any member until
23 the first day of the month following the termination of the member's
24 employment with any participating employer. The type of retirement

1 benefit selected by a member may not be changed on or after the
2 effective date of the member's retirement. Receipt of workers'
3 compensation benefits shall in no respect disqualify the retiree for
4 benefits.

5 E. If a retiree should be elected or appointed to any position
6 or office for which compensation for service is paid from levies or
7 taxes imposed by the state or any political subdivision thereof, the
8 retiree shall not receive any retirement benefit for any month for
9 which the retiree serves in such position or office after the
10 retiree has received compensation in a sum equal to the amount
11 allowable as wages or earnings by the Social Security Administration
12 in any calendar year. This subsection shall not apply to service
13 rendered by a retiree as a juror, as a witness in any legal
14 proceeding or action, as an election board judge or clerk, or in any
15 other office or position of a similar nature, or to an employer that
16 is not a participating employer. Provided, further, that any
17 participating employer who is employing such a retiree shall make
18 proper written notification to the System informing it of the
19 beginning date of such retiree's employment and the date such
20 retiree reaches the maximum compensation allowed by this section in
21 the calendar year. Any retiree returning to work for a
22 participating employer shall make contributions to the System and
23 the employer shall do likewise. All retirees who have returned to
24 employment and participation in the System following retirement

1 shall have post-retirement benefits calculated on one of the
2 following methods:

3 1. All service accumulated from date of reemployment shall be
4 computed based on the benefit formula applicable at that time and
5 the additional benefits shall be added to the previous benefits.
6 Such additional benefits shall be calculated each year based upon
7 additional service accrued from July 1 to June 30 of the previous
8 year and the additional benefit, if any, will be added to the
9 retiree's monthly benefit beginning January 1, 2000, and each
10 January 1 thereafter. However, the post-retirement service credit
11 shall be cumulative, beginning with service credit accrued after the
12 date of retirement, provided that the retiree has not received a
13 distribution of the post-retirement contributions.

14 2. Any retiree who returns to employment with a participating
15 employer may elect not to receive any retirement benefits while so
16 reemployed. If such an election is made and reemployment is for a
17 minimum period of thirty-six (36) consecutive months, all service
18 accumulated from date of reemployment shall be participating
19 service. For purposes of determining the retirement benefits of
20 such a member upon the termination of such reemployment all
21 creditable service of the member shall be computed based on the
22 benefit formula applicable at the time of termination of such
23 reemployment. Provided, a retiree who became reemployed prior to
24 July 1, 1982, and who is reemployed for a minimum of thirty-six (36)

1 consecutive months shall have all the creditable service of such
2 retiree computed based on the benefit formula applicable at the time
3 of termination of such reemployment if the retiree elects not to
4 receive retirement benefits prior to such termination of
5 reemployment. A retiree who has waived receipt of the monthly
6 benefit, but is not reemployed for the full thirty-six (36)
7 consecutive months, shall upon termination of such reemployment have
8 only the additional amount added to his or her benefit as if they
9 had not waived the benefit as provided in paragraph 1 of this
10 subsection.

11 3. All post-retirement additional benefits shall be calculated
12 using actual hours worked as well as the actual compensation
13 received and upon which contributions are paid. Post-retirement
14 service is not subject to the partial year round-up provisions of
15 subsection C of Section 913 of this title.

16 4. A retired member who returns to work for a participating
17 employer pursuant to this section shall be bound by the election
18 made pursuant to paragraph (2) of subsection A of Section 915 of
19 this title if the member had made such election prior to retirement.
20 If the member had not made such election prior to retirement, the
21 member may do so during the member's reemployment with a
22 participating employer pursuant to this section. A retired member
23 may not be rehired by their former employer, nor may the retired
24 member be permitted to enter into an employment contract of any kind

1 with a former employer, for a period of ~~one (1) year~~ six (6) months
 2 after the retired member ended his or her employment with the former
 3 employer unless the retired member waives his or her benefit under
 4 paragraph 2 of this subsection and returns as a bona fide employee.

5 F. Except as otherwise provided by subsection G of this
 6 section, any member may elect to retire before his or her normal
 7 retirement date on the first day of any month coinciding with or
 8 following the attainment of age fifty-five (55), provided such
 9 member has completed ten (10) years of participating service, but in
 10 no event before six (6) months after the entry date. Any member who
 11 shall retire before the normal retirement date shall receive an
 12 annual retirement benefit adjusted in accordance with the following
 13 percentage schedule:

14		Percentage of Normal
15	Age	Retirement Benefit
16	62	100.00%
17	61	93.33%
18	60	86.67%
19	59	80.00%
20	58	73.33%
21	57	66.67%
22	56	63.33%
23	55	60.00%

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1 G. Any member whose first participating service occurs on or
 2 after November 1, 2011, may elect to retire before his or her normal
 3 retirement date on the first day of any month coinciding with or
 4 following the attainment of age sixty (60), provided such member has
 5 completed ten (10) years of participating service, but in no event
 6 before six (6) months after the entry date. Any member who shall
 7 retire before the normal retirement date shall receive an annual
 8 retirement benefit adjusted in accordance with the following
 9 percentage schedule:

10		Percentage of Normal
11	Age	Retirement Benefit
12	65	100.00%
13	64	93.33%
14	63	86.67%
15	62	80.00%
16	61	73.33%
17	60	66.67%

18 SECTION 3. If the Emergency Clause is not approved pursuant to
 19 the requirements of the Oklahoma Constitution as part of this
 20 measure, the effective date of Section 1 of this act shall be
 21 October 1, 2024.

22 SECTION 4. If the Emergency Clause is not approved pursuant to
 23 the requirements of the Oklahoma Constitution as part of this
 24

1 measure, the effective date of Section 2 of this act shall be
2 November 1, 2024.

3 SECTION 5. Except as otherwise provided by Section 3 of this
4 act, Section 1 of this act shall become effective immediately upon
5 signature by the Governor or as otherwise provided by Section 58 of
6 Article V of the Oklahoma Constitution.

7 SECTION 6. Except as otherwise provided by Section 4 of this
8 act, Section 2 of this act shall become effective July 1, 2024.

9 SECTION 7. It being immediately necessary for the preservation
10 of the public peace, health or safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

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