

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1812

By: Loring

AS INTRODUCED

An Act relating to public retirement systems; amending 11 O.S. 2011, Section 49-100.1, as last amended by Section 2, Chapter 388, O.S.L. 2013 (11 O.S. Supp. 2016, Section 49-100.1), which relates to the Oklahoma Firefighters Pension and Retirement System; modifying definition; providing for membership by certain full-time firefighters employed by federally recognized Native American tribes; amending 11 O.S. 2011, Section 50-101, as amended by Section 1, Chapter 346, O.S.L. 2016 (11 O.S. Supp. 2016, Section 50-101), which relates to the Oklahoma Police Pension and Retirement System; modifying definition; providing for membership by certain full-time law enforcement officers employed by federally recognized Native American tribes; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 2011, Section 49-100.1, as last amended by Section 2, Chapter 388, O.S.L. 2013 (11 O.S. Supp. 2016, Section 49-100.1), is amended to read as follows:

Section 49-100.1 As used in this article:

1. "System" means the Oklahoma Firefighters Pension and Retirement System and all predecessor municipal firefighters pension and retirement systems;

1 2. "Article" means Article 49 of this title;

2 3. "State Board" means the Oklahoma Firefighters Pension and
3 Retirement Board;

4 4. "Local board" means the local firefighters pension and
5 retirement boards;

6 5. "Fund" means the Oklahoma Firefighters Pension and
7 Retirement Fund;

8 6. "Member" means all eligible firefighters of a participating
9 municipality or a fire protection district who perform the essential
10 functions of fire suppression, prevention, and life safety duties in
11 a fire department. The term "member" shall include but not be
12 limited to the person serving as fire chief of any participating
13 municipality, provided that a person serving as fire chief of a
14 participating municipality shall meet the age, agility, physical and
15 other eligibility requirements required by law at the time said
16 person becomes a member of the System. Effective July 1, 1987, a
17 member does not include a "leased employee". The term "leased
18 employee" means any person (other than an employee of the recipient)
19 who pursuant to an agreement between the recipient and any other
20 person ("leasing organization") has performed services for the
21 recipient (or for the recipient and related persons determined in
22 accordance with Section 414(n)(6) of the Internal Revenue Code of
23 1986, as amended) on a substantially full-time basis for a period of
24 at least one (1) year, and such services are performed under primary

1 direction or control by the recipient. Contributions or benefits
2 provided a leased employee by the leasing organization which are
3 attributable to services performed for the recipient employer shall
4 be treated as provided by the recipient employer. A leased employee
5 shall not be considered an employee of the recipient if the
6 requirements of the safe harbor provisions of Section 414(n)(5) of
7 the Internal Revenue Code of 1986, as amended, are satisfied.
8 Effective July 1, 1999, any individual who agrees with the
9 participating municipality that the individual's services are to be
10 performed as a leased employee or an independent contractor shall
11 not be a member regardless of any classification as a common law
12 employee by the Internal Revenue Service or any other governmental
13 agency, or any court of competent jurisdiction. Effective July 1,
14 2017, "member" shall include any full-time firefighter employed by a
15 federally recognized Native American tribe with respect to service
16 performed on or after July 1, 2017, but exclusive of any service
17 performed prior to July 1, 2017;

18 7. "Normal retirement date" means the date at which the member
19 is eligible to receive the unreduced payments of the member's
20 accrued retirement benefit. Such date shall be the first day
21 following the date the member completes twenty (20) years of
22 credited service. For a member whose first employment with a
23 participating employer of the System occurs on or after November 1,
24 2013, such date shall be the first day following the date the member

1 completes twenty-two (22) years of credited service and has attained
2 the age of at least fifty (50) years. If the member's employment
3 continues past the normal retirement date of the member, the actual
4 retirement date of the member shall be the first day following the
5 date the member terminates employment with more than twenty (20)
6 years of credited service, or with respect to members who are
7 required to complete twenty-two (22) years of service, the first day
8 following the date the member terminates employment with more than
9 twenty-two (22) years of service and who has also attained the age
10 of at least fifty (50) years;

11 8. "Credited service" means the period of service used to
12 determine the eligibility for and the amount of benefits payable to
13 a member. Credited service shall consist of the period during which
14 the member participated in the System or the predecessor municipal
15 systems as an active employee in an eligible membership
16 classification, plus any service prior to the establishment of the
17 predecessor municipal systems which was credited under the
18 predecessor municipal systems; provided, however, "credited service"
19 for members from a fire protection district shall not begin accruing
20 before July 1, 1982;

21 9. "Participating municipality" means a municipality, county
22 fire department organized pursuant to subsection D of Section 351 of
23 Title 19 of the Oklahoma Statutes, or fire protection district which
24 is making contributions to the System on behalf of its firefighters.

1 All participating municipalities shall appoint a fire chief who
2 shall supervise and administer the fire department;

3 10. "Disability" means the complete inability of the
4 firefighter to perform any and every duty of the firefighter's
5 regular occupation; provided further, that once benefits have been
6 paid for twenty-four (24) months the provisions of Section 49-110 of
7 this title shall apply to the firefighter;

8 11. "Executive Director" means the managing officer of the
9 System employed by the State Board;

10 12. "Eligible employer" means any municipality with a municipal
11 fire department, any county fire department organized pursuant to
12 subsection D of Section 351 of Title 19 of the Oklahoma Statutes or
13 any fire protection district with an organized fire department and
14 effective July 1, 2017, any federally recognized Native American
15 tribe with respect to full-time firefighters employed by such
16 federally recognized Native American tribe on or after July 1, 2017;

17 13. "Entry date" means the date as of which an eligible
18 employer joins the System. The first entry date pursuant to this
19 article shall be January 1, 1981;

20 14. "Final average salary" means the average paid gross salary
21 of the firefighter for normally scheduled hours over the highest
22 salaried thirty (30) consecutive months of the last sixty (60)
23 months of credited service. Gross salary shall not include payment
24 for accumulated sick or annual leave upon termination of employment,

1 any uniform allowances or any other compensation for reimbursement
2 of out-of-pocket expenses. Only salary on which the required
3 contributions have been made may be used in computing the final
4 average salary. Effective January 1, 1988, gross salary shall
5 include any amount of elective salary reduction under Section 125 of
6 the Internal Revenue Code of 1986, as amended. Gross salary shall
7 include any amount of elective salary reduction under Section 457 of
8 the Internal Revenue Code of 1986, as amended, and any amount of
9 nonelective salary reduction under Section 414(h) of the Internal
10 Revenue Code of 1986, as amended. Effective July 1, 1998, for
11 purposes of determining a member's compensation, any contribution by
12 the member to reduce the member's regular cash remuneration under
13 132(f)(4) of the Internal Revenue Code of 1986, as amended, shall be
14 treated as if the member did not make such an election. Only salary
15 on which required contributions have been made may be used in
16 computing final average salary.

17 In addition to other applicable limitations, and notwithstanding
18 any other provision to the contrary, for plan years beginning on or
19 after July 1, 2002, the annual gross salary of each "Noneligible
20 Member" taken into account under the System shall not exceed the
21 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")
22 annual salary limit. The EGTRRA annual salary limit is Two Hundred
23 Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for
24 increases in the cost of living in accordance with Section

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

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

16 Effective June 9, 2010, gross salary shall also include gross
17 salary, as described above, for services, but paid by the later of
18 two and one-half (2 1/2) months after a firefighter's severance from
19 employment or the end of the calendar year that includes the date
20 the firefighter terminated employment, if it is a payment that,
21 absent a severance from employment, would have been paid to the
22 firefighter while the firefighter continued in employment with the
23 participating municipality.

1 Effective June 9, 2010, any payments not described above shall
2 not be considered gross salary if paid after severance from
3 employment, even if they are paid by the later of two and one-half
4 (2 1/2) months after the date of severance from employment or the
5 end of the calendar year that includes the date of severance from
6 employment, except payments to an individual who does not currently
7 perform services for the participating municipality by reason of
8 qualified military service within the meaning of Section 414(u)(5)
9 of the Internal Revenue Code of 1986, as amended, to the extent
10 these payments do not exceed the amounts the individual would have
11 received if the individual had continued to perform services for the
12 participating municipality rather than entering qualified military
13 service.

14 Effective June 9, 2010, back pay, within the meaning of Section
15 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be treated as
16 gross salary for the year to which the back pay relates to the
17 extent the back pay represents wages and compensation that would
18 otherwise be included in this definition.

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

22 15. "Accrued retirement benefit" means two and one-half percent
23 (2 1/2%) of the firefighter's final average salary multiplied by the
24 member's years of credited service not to exceed thirty (30) years;

1 16. "Beneficiary" means a member's surviving spouse or any
2 surviving children, including biological and adopted children, at
3 the time of the member's death. The surviving spouse must have been
4 married to the firefighter for the thirty (30) continuous months
5 preceding the firefighter's death provided a surviving spouse of a
6 member who died while in, or as a consequence of, the performance of
7 the member's duty for a participating municipality, shall not be
8 subject to the marriage limitation for survivor benefits. A
9 surviving child of a member shall be a beneficiary until reaching
10 eighteen (18) years of age or twenty-two (22) years of age if the
11 child is enrolled full time and regularly attending a public or
12 private school or any institution of higher education. Any child
13 adopted by a member after the member's retirement shall be a
14 beneficiary only if the child is adopted by the member for the
15 thirty (30) continuous months preceding the member's death. Any
16 child who is adopted by a member after the member's retirement and
17 such member dies accidentally or as a consequence of the performance
18 of the member's duty as a firefighter shall not be subject to the
19 thirty-month adoption requirement. This definition of beneficiary
20 shall be in addition to any other requirement set forth in this
21 article;

22 17. "Accumulated contributions" means the sum of all
23 contributions made by a member to the System and includes both
24 contributions deducted from the compensation of a member and

1 contributions of a member picked up and paid by the participating
2 municipality of the member. Accumulated contributions shall not
3 include any interest on the contributions of the member, interest on
4 any amount contributed by the municipality or state and any amount
5 contributed by the municipality or state; and

6 18. "Limitation year" means the year used in applying the
7 limitations of Section 415 of the Internal Revenue Code of 1986,
8 which year shall be the calendar year.

9 SECTION 2. AMENDATORY 11 O.S. 2011, Section 50-101, as
10 amended by Section 1, Chapter 346, O.S.L. 2016 (11 O.S. Supp. 2016,
11 Section 50-101), is amended to read as follows:

12 Section 50-101 As used in this article:

13 1. "System" means the Oklahoma Police Pension and Retirement
14 System and all predecessor municipal Police Pension and Retirement
15 Systems;

16 2. "Article" means Article 50 of this title;

17 3. "State Board" means the Oklahoma Police Pension and
18 Retirement Board;

19 4. "Fund" means the Oklahoma Police Pension and Retirement
20 Fund;

21 5. "Officer" means any duly appointed and sworn full-time
22 officer of the regular police department of a municipality, or
23 effective July 1, 2017, a full-time law enforcement officer of a
24 federally recognized Native American tribe, whose duties are to

1 preserve the public peace, protect life and property, prevent crime,
2 serve warrants, enforce all laws and municipal ordinances of this
3 state, and any political subdivision thereof, or with respect to a
4 federally recognized Native American tribe to enforce applicable law
5 as required or authorized by federal law, state law and the laws of
6 the applicable tribe, and who is authorized to bear arms in the
7 execution of such duties;

8 6. "Member" means all eligible officers of a participating
9 municipality and any person hired by a participating municipality
10 who is undergoing police training to become a permanent police
11 officer of the municipality. Effective July 1, 1987, a member does
12 not include a "leased employee" as defined under Section 414(n)(2)
13 of the Internal Revenue Code of 1986, as amended. Effective July 1,
14 1999, any individual who agrees with the participating municipality
15 that the individual's services are to be performed as a leased
16 employee or an independent contractor shall not be a member
17 regardless of any classification as a common law employee by the
18 Internal Revenue Service or any other governmental agency, or any
19 court of competent jurisdiction. A member shall include eligible
20 commissioned officers of the Oklahoma State Bureau of Narcotics and
21 Dangerous Drugs Control, the Oklahoma State Bureau of Investigation,
22 and the Alcoholic Beverage Laws Enforcement Commission who elect to
23 participate in the System pursuant to Section 50-111.5 of this
24 title. Effective July 1, 2017, "member" means any full-time law

1 enforcement officer employed by a federally recognized Native
2 American tribe with respect to service performed on or after July 1,
3 2017, but exclusive of any service performed prior to July 1, 2017;

4 7. "Normal retirement date" means the date at which the member
5 is eligible to receive the unreduced payments of the member's
6 accrued retirement benefit. Such date shall be the first day of the
7 month coinciding with or following the date the member completes
8 twenty (20) years of credited service. If the member's employment
9 continues past the normal retirement date of the member, the actual
10 retirement date of the member shall be the first day of the month
11 after the member terminates employment with more than twenty (20)
12 years of credited service;

13 8. "Credited service" means the period of service used to
14 determine the eligibility for and the amount of benefits payable to
15 a member. Credited service shall consist of the period during which
16 the member participated in the System or the predecessor municipal
17 systems as an active employee in an eligible membership
18 classification, plus any service prior to the establishment of the
19 predecessor municipal systems which was credited under the
20 predecessor municipal systems or credited service granted by the
21 State Board;

22 9. "Participating municipality" means a municipality which is
23 making contributions to the System on behalf of its officers. The
24 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the

1 Oklahoma State Bureau of Investigation, and the Alcoholic Beverage
2 Laws Enforcement Commission shall be treated in the same manner as a
3 participating municipality only regarding those members who elect to
4 participate in the System pursuant to Section 50-111.5 of this
5 title;

6 10. "Permanent total disability" means incapacity due to
7 accidental injury or occupational disease, to earn any wages in the
8 employment for which the member is physically suited and reasonably
9 fitted through education, training or experience. Further, the
10 member must be declared one hundred percent (100%) impaired as
11 defined by the "American Medical Association's Guides to the
12 Evaluation of Permanent Impairment" on the basis of a physical
13 medical examination by a physician licensed to practice medicine in
14 this state, as selected by the State Board;

15 11. "Permanent partial disability" means permanent disability
16 which is less than permanent total disability as defined in this
17 section. The member must be declared no greater than ninety-nine
18 percent (99%) impaired as defined by the "American Medical
19 Association's Guides to the Evaluation of Permanent Impairment" on
20 the basis of a physical medical examination by a physician licensed
21 to practice medicine in this state, as selected by the State Board;

22 12. "Permanent in-line disability" means incapacity to earn any
23 wages as a certified, commissioned police officer due to accidental
24

1 injury or occupational disease, incurred while in, and in
2 consequence of, the performance of duty as an officer;

3 13. "Beneficiary" means a member's surviving spouse or any
4 surviving children, including biological and adopted children, at
5 the time of the member's death. The surviving spouse must have been
6 married to the member for the thirty (30) continuous months
7 immediately preceding the member's death, provided a surviving
8 spouse of a member who died while in, and as a consequence of, the
9 performance of the member's duty for a participating municipality,
10 shall not be subject to the thirty-month marriage requirement for
11 survivor benefits. A surviving child of a member shall be a
12 beneficiary until reaching eighteen (18) years of age or twenty-two
13 (22) years of age if the child is enrolled full time and regularly
14 attending a public or private school or any institution of higher
15 education. Any child adopted by a member after the member's
16 retirement shall be a beneficiary only if the child is adopted by
17 the member for the thirty (30) continuous months preceding the
18 member's death. Any child who is adopted by a member after the
19 member's retirement and such member dies accidentally or as a
20 consequence of the performance of the member's duty as a police
21 officer shall not be subject to the thirty-month adoption
22 requirement. This definition of beneficiary shall be in addition to
23 any other requirement set forth in this article;

24

1 14. "Executive Director" means the managing officer of the
2 System employed by the State Board;

3 15. "Eligible employer" means any municipality with a municipal
4 police department;

5 16. "Entry date" means the date as of which an eligible
6 employer joins the System. The first entry date pursuant to this
7 article shall be January 1, 1981;

8 17. "Final average salary" means the average paid base salary
9 of the member for normally scheduled hours over the highest salaried
10 thirty (30) consecutive months of the last sixty (60) months of
11 credited service. Effective July 1, 2016, the following shall apply
12 in computing final average salary:

13 a. only paid base salary on which required contributions
14 have been made shall be used in computing a member's
15 final average salary,

16 b. for purposes of determining the normal disability
17 benefit only, final average salary shall be based on
18 the member's total service if less than thirty (30)
19 months,

20 c. in addition to other applicable limitations, and
21 notwithstanding any other provision to the contrary,
22 for plan years beginning on or after July 1, 2002, the
23 annual compensation of each "Noneligible Member" taken
24 into account under the System shall not exceed the

1 Economic Growth and Tax Relief Reconciliation Act of
2 2001 (EGTRRA) annual compensation limit. The EGTRRA
3 annual compensation limit is Two Hundred Thousand
4 Dollars (\$200,000.00), as adjusted by the Commissioner
5 for increases in the cost of living in accordance with
6 Section 401(a)(17)(B) of the Internal Revenue Code of
7 1986, as amended. The annual compensation limit in
8 effect for a calendar year applies to any period, not
9 exceeding twelve (12) months, over which compensation
10 is determined ("determination period") beginning in
11 such calendar year. If a determination period
12 consists of fewer than twelve (12) months, the EGTRRA
13 annual compensation limit will be multiplied by a
14 fraction, the numerator of which is the number of
15 months in the determination period, and the
16 denominator of which is twelve (12). For purposes of
17 this section, a "Noneligible Member" is any member who
18 first became a member during a plan year commencing on
19 or after July 1, 1996,

- 20 d. for plan years beginning on or after July 1, 2002, any
21 reference in the System to the annual compensation
22 limit under Section 401(a)(17) of the Internal Revenue
23 Code of 1986, as amended, shall mean the EGTRRA annual
24 compensation limit set forth in this provision, and

1 e. effective January 1, 2008, back pay, within the
2 meaning of Section 1.415(c)-2(g)(8) of the Income Tax
3 Regulations, shall be treated as paid base salary for
4 the limitation year to which the back pay relates to
5 the extent the back pay represents wages and
6 compensation that would otherwise be included in this
7 definition;

8 18. "Accrued retirement benefit" means two and one-half percent
9 (2 1/2%) of the member's final average salary multiplied by the
10 member's years of credited service not to exceed thirty (30) years;

11 19. "Normal disability benefit" means two and one-half percent
12 (2 1/2%) of the member's final average salary multiplied by twenty
13 (20) years;

14 20. "Limitation year" means the year used in applying the
15 limitations of Section 415 of the Internal Revenue Code of 1986, as
16 amended, which year shall be the calendar year;

17 21. "Paid base salary" means, effective July 1, 2016, any
18 compensation described in subparagraph a of this paragraph that is
19 not described in subparagraph b of this paragraph.

20 a. Paid base salary shall include only:

- 21 (1) normal compensation paid on a regularly scheduled
22 pay period, including, but not limited to,
23 regular pay for holidays, paid time off, vacation
24 or annual leave, sick leave or compensatory time

1 in lieu of overtime, any lump sum payment paid in
2 lieu of a normal wage increase, provided such
3 lump sum payment is retroactively applied over
4 the prior twelve-month period ending with the
5 payment date, compensation for bomb squad pay,
6 education pay, incentive pay, K-9 pay,
7 negotiation pay, shift differential, sniper pay,
8 SWAT team pay, emergency response team pay, any
9 other special unit pay, and any incremental
10 increase in compensation which is not included by
11 the employer in a member's regular base pay for
12 salary increase purposes but is paid by the
13 employer to the member for group health benefits
14 based on an arrangement with a participating
15 municipality that was in place on December 31,
16 2015, so long as the arrangement continues
17 uninterrupted for a member employed by a
18 participating municipality on June 30, 2016, who
19 has not since terminated employment and been
20 rehired by such participating municipality,
21 (2) any amount of elective salary reduction under
22 Section 125 of the Internal Revenue Code of 1986,
23 as amended, that would have been treated as paid
24

1 base salary but for the salary deferral reduction
2 agreement,

3 (3) any amount of elective salary reduction not
4 includable in the gross income of the member
5 under Section 132(f) (4) of the Internal Revenue
6 Code of 1986, as amended, that would have been
7 treated as paid base salary but for the salary
8 deferral reduction agreement,

9 (4) any amount of elective salary reduction under
10 Section 457 of the Internal Revenue Code of 1986,
11 as amended, that would have been treated as paid
12 base salary but for the salary deferral reduction
13 agreement,

14 (5) any amount of elective salary reduction under
15 Section 401(k) of the Internal Revenue Code of
16 1986, as amended, that would have been treated as
17 paid base salary but for the salary deferral
18 reduction agreement,

19 (6) any amount of nonelective salary reduction under
20 Section 414(h) of the Internal Revenue Code of
21 1986, as amended,

22 (7) educational allowances paid to obtain training
23 certification or pursue an advanced degree,
24

- 1 (8) longevity payments made to members based upon a
2 standardized plan which recognizes length of
3 service to the participating municipality,
- 4 (9) paid base salary shall also include base salary,
5 as described in divisions (1) through (8) of this
6 subparagraph, for services, but paid by the later
7 of two and one-half (2 1/2) months after a
8 member's severance from employment or the end of
9 the calendar year that includes the date the
10 member terminated employment, if it is a payment
11 that, absent a severance from employment, would
12 have been paid to the member while the member
13 continued in employment with the participating
14 municipality,
- 15 (10) any payments not described in divisions (1)
16 through (9) of this subparagraph shall not be
17 considered paid base salary if paid after
18 severance from employment, even if they are paid
19 by the later of two and one-half (2 1/2) months
20 after the date of severance from employment or
21 the end of the calendar year that includes the
22 date of severance from employment, except
23 payments to an individual who does not currently
24 perform services for the participating

1 municipality by reason of qualified military
2 service within the meaning of Section 414(u) (5)
3 of the Internal Revenue Code of 1986, as amended,
4 to the extent these payments do not exceed the
5 amounts the individual would have received if the
6 individual had continued to perform services for
7 the participating municipality rather than
8 entering qualified military service,

9 (11) back pay, within the meaning of Section 1.415(c)-
10 2(g) (8) of the Income Tax Regulations, shall be
11 treated as paid base salary for the limitation
12 year to which the back pay relates to the extent
13 the back pay represents wages and compensation
14 that would otherwise be included in this
15 definition, and

16 (12) paid base salary shall also include differential
17 wage payments under Section 414(u) (12) of the
18 Internal Revenue Code of 1986, as amended.

19 b. Notwithstanding anything to the contrary in this
20 section, paid base salary shall not include any:

21 (1) fringe benefits, reimbursements, or increases in
22 compensation due to reimbursements to the extent
23 not specifically included above in subparagraph a
24 of this paragraph,

- 1 (2) incremental increase in compensation which is not
2 included by the employer in a member's regular
3 base pay for salary increase purposes but is paid
4 by the employer to the member for group health
5 benefits not otherwise included above in division
6 (1) of subparagraph a of this paragraph,
- 7 (3) insurance benefits, including any reimbursements
8 thereof, or insurance proceeds of any type not
9 otherwise included above in division (1) of
10 subparagraph a of this paragraph,
- 11 (4) bonuses, including signing bonuses, lump-sum
12 payments or stipends made to the member not
13 otherwise included above in division (1) of
14 subparagraph a of this paragraph,
- 15 (5) overtime compensation,
- 16 (6) payments whether prior to or upon termination of
17 employment for accumulated unused vacation or
18 unused annual leave, accumulated unused sick
19 leave, or accumulated unused paid time off or
20 other unused leave,
- 21 (7) payments made in error to a member,
- 22 (8) payments made by the participating municipality
23 for services rendered by the member, which
24 services are not part of the member's job duties

1 and responsibilities of his or her job position
2 with the participating municipality,

3 (9) severance pay,

4 (10) unemployment payments, and

5 (11) uniform and equipment allowances; and

6 22. "Actuarial equivalent" means equality in value of the
7 aggregate amounts expected to be received based on interest rate and
8 mortality assumptions set by the State Board, in a manner that
9 precludes employer discretion, and based upon recommendations from
10 independent professional advisors, and which shall be published
11 annually in the actuarial report.

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

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

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18 56-1-5196 MAH 12/22/16
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January 16, 2017

Representative Ben Loring
Room 539B

Re: RBH No. 5196

RBH No. 5196 would allow full-time firefighters and law enforcement officers employed by federally recognized Native American tribes to participant in the Oklahoma Firefighters Pension and Retirement System and Oklahoma Police Pension and Retirement System respectively. Participation would be effective on after July 1, 2017. There would be service credit for service prior to July 1, 2017.

RBH No. 5196 is fiscal bill as defined by the Oklahoma Pension Legislation Analysis Act because the bill increases the normal cost 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