

## 1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE  
FOR  
4 HOUSE BILL NO. 2304

By: Frix

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7 COMMITTEE SUBSTITUTE8 An Act relating to public retirement systems;  
9 amending 62 O.S. 2011, Section 3103, as last amended  
10 by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.  
11 2018, Section 3103), which relates to the Oklahoma  
12 Pension Legislation Actuarial Analysis Act; modifying  
13 definition; authorizing benefit increase for certain  
14 retired members of the Oklahoma Firefighters Pension  
15 and Retirement System; providing for offset;  
16 authorizing benefit increase for certain retired  
17 members of the Oklahoma Police Pension and Retirement  
18 System; providing for offset; authorizing retirement  
19 benefit increase for certain retired members of the  
20 Uniform Retirement System for Justices and Judges;  
21 authorizing retirement benefit increase for certain  
22 retired members of the Oklahoma Law Enforcement  
23 Retirement System; providing for offset; authorizing  
24 retirement benefit increase for certain retired  
members of the Teachers' Retirement System of  
Oklahoma; authorizing retirement benefit increase for  
certain retired members of the Oklahoma Public  
Employees Retirement System; providing for  
codification; and providing effective dates.

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

22 SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as

23 last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.

24 2018, Section 3103), is amended to read as follows:

1       Section 3103. As used in the Oklahoma Pension Legislation

2       Actuarial Analysis Act:

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

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

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

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

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

22           a. which does not affect the cost or funding factors of a  
23              retirement system, or

1                   b. which affects such factors only in a manner which does  
2                   not:  
3                    (1) grant a benefit increase under the retirement  
4                    system affected by the bill,  
5                    (2) create an actuarial accrued liability for or  
6                    increase the actuarial accrued liability of the  
7                    retirement system affected by the bill, or  
8                    (3) increase the normal cost of the retirement system  
9                    affected by the bill,  
10                  c. which authorizes the purchase by an active member of  
11                  the retirement system, at the actuarial cost for the  
12                  purchase as computed pursuant to the statute in effect  
13                  on the effective date of the measure allowing such  
14                  purchase, of years of service for purposes of reaching  
15                  a normal retirement date in the applicable retirement  
16                  system, but which cannot be used in order to compute  
17                  the number of years of service for purposes of  
18                  computing the retirement benefit for the member,  
19                  d. which provides for the computation of a service-  
20                  connected disability retirement benefit for members of  
21                  the Oklahoma Law Enforcement Retirement System  
22                  pursuant to Section 2-305 of Title 47 of the Oklahoma  
23                  Statutes if the members were unable to complete twenty  
24                  (20) years of service as a result of the disability,

1                   e. which requires membership in the defined benefit plan  
2                   authorized by Section 901 et seq. of Title 74 of the  
3                   Oklahoma Statutes for persons whose first elected or  
4                   appointed service occurs on or after November 1, 2018,  
5                   if such persons had any prior service in the Oklahoma  
6                   Public Employees Retirement System prior to November  
7                   1, 2015, or

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

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

22                   (2) the lesser of two percent (2%) of the gross  
23                   annual retirement benefit of the member or One  
24                   Thousand Two Hundred Dollars (\$1,200.00) and

1           requires that the benefit may only be provided if  
2           the funded ratio of the affected retirement  
3           system would be greater than eighty percent (80%)  
4           but not greater than one hundred percent (100%)  
5           after the benefit increase is paid,

6           (3) the lesser of two percent (2%) of the gross  
7           annual retirement benefit of the member or One  
8           Thousand Four Hundred Dollars (\$1,400.00) 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 one hundred percent  
12          (100%) after the benefit increase is paid, or

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

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

g. which provides a cost-of-living adjustment as prescribed by Sections 2 through 7 of this act.

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

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

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

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

4       9. "Retirement system" means the Teachers' Retirement System of  
5       Oklahoma, the Oklahoma Public Employees Retirement System, the  
6       Uniform Retirement System for Justices and Judges, the Oklahoma  
7       Firefighters Pension and Retirement System, the Oklahoma Police  
8       Pension and Retirement System, the Oklahoma Law Enforcement  
9       Retirement System, or a retirement system established after January  
10      1, 2006.

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

14       A. Except as provided in subsection B of this section and  
15       except for persons receiving benefits pursuant to Section 49-101 of  
16       Title 11 of the Oklahoma Statutes, effective November 1, 2020, any  
17       person receiving benefits from the Oklahoma Firefighters Pension and  
18       Retirement System as of October 30, 2019, who continues to receive  
19       benefits on or after November 1, 2020, shall receive a two-percent  
20       increase in said benefits on November 1, 2020.

21       B. Any increase in benefits a person is eligible to receive  
22       pursuant to repealed Section 49-136 of Title 11 of the Oklahoma  
23       Statutes after June 30, 2008, shall be used to offset the increase  
24       in benefits provided in subsection A of this section.

1       C. Effective November 1, 2020, any persons receiving benefits  
2 pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes  
3 shall each receive a benefit equal to Seven Dollars and sixty-eight  
4 cents (\$7.68) for each year of credited service not to exceed thirty  
5 (30) years of service.

6       SECTION 3.    NEW LAW       A new section of law to be codified  
7 in the Oklahoma Statutes as Section 50-136.9 of Title 11, unless  
8 there is created a duplication in numbering, reads as follows:

9       A. Except as provided in subsection B of this section, any  
10 person receiving benefits from the Oklahoma Police Pension and  
11 Retirement System as of October 30, 2019, who continues to receive  
12 benefits on or after November 1, 2020, shall receive a two-percent  
13 increase in said benefits on November 1, 2020.

14       B. Any increase in benefits a person is eligible to receive  
15 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma  
16 Statutes, after October 30, 2018, shall be offset by the increase in  
17 benefits, if any, provided by this section.

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

21       Any person receiving benefits from the Uniform Retirement System  
22 for Justices and Judges as of October 30, 2019, who continues to  
23 receive benefits on or after November 1, 2020, shall receive a two-  
24 percent increase in said benefits beginning in November 2020.

1 SECTION 5. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 2-305.12 of Title 47, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. Except as provided in subsection B of this section, any  
5 person receiving benefits from the Oklahoma Law Enforcement  
6 Retirement System as of October 30, 2019, who continues to receive  
7 benefits on or after November 1, 2020, shall receive a two-percent  
8 increase in said benefits beginning in November 2020.

9 B. Any increase in benefits a person is eligible to receive  
10 pursuant to subsection B, C or D of Section 2-305 of Title 47 of the  
11 Oklahoma Statutes, after November 1, 2020, shall be offset by the  
12 increase in benefits, if any, provided by this section.

13 SECTION 6. 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 A. Any person receiving benefits from the Teachers' Retirement  
17 System of Oklahoma as of October 30, 2019, other than those benefits  
18 specified in subsection B of this section, who continues to receive  
19 benefits on or after November 1, 2020, shall receive a two-percent  
20 increase in said benefits beginning in November 2020.

21 B. Any person receiving benefits pursuant to subsection (3) of  
22 Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits  
23 commenced prior to November 1, 2019, and who continues to receive  
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1 benefits on or after November 1, 2020, shall receive a two-percent  
2 increase in said benefits beginning in November 2020.

3 SECTION 7. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 930.11 of Title 74, unless there  
5 is created a duplication in numbering, reads as follows:

6 Any person receiving benefits from the Oklahoma Public Employees  
7 Retirement System as of October 30, 2019, who continues to receive  
8 benefits on or after November 1, 2020, shall receive a two-percent  
9 increase in said benefits beginning in November 2020.

10 SECTION 8. Section 1 of this act shall become effective October  
11 1, 2020.

12 SECTION 9. Sections 2 through 7 of this act shall become  
13 effective November 1, 2020.

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