

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 2985

By: Frix

AS INTRODUCED

An Act relating to public retirement systems; amending 62 O.S. 2011, Section 3103, which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; authorizing benefit increase for certain retired members of the Oklahoma Firefighters Pension and Retirement System; providing for offset; authorizing benefit increase for certain retired members of the Oklahoma Police Pension and Retirement System; providing for offset; authorizing retirement benefit increase for certain members of the Uniform Retirement System for Justices and Judges; authorizing retirement benefit increase for certain retired members of the Oklahoma Law Enforcement Retirement System; providing for offset; authorizing 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.

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, is amended to read as follows:

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

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

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

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

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

19 5. "Nonfiscal retirement bill" means a retirement bill which
20 does not affect the cost or funding factors of a retirement system
21 or a retirement bill which affects such factors only in a manner
22 which does not:

- 23 a. grant a benefit increase under the retirement system
24 affected by the bill except for cost-of-living

1 adjustments provided to retirees of the retirement
2 system,

3 b. create an actuarial accrued liability for or increase
4 the actuarial accrued liability of the retirement
5 system affected by the bill, or

6 c. increase the normal cost of the retirement system
7 affected by the bill except as otherwise provided by
8 subparagraph a of this paragraph.

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

16 6. "Reduction in cost amendment" means an amendment to a
17 retirement bill having a fiscal impact which reduces the cost of the
18 bill as such cost is determined by the actuarial investigation for
19 the bill prepared pursuant to Section 3109 of this title;

20 7. "Retirement bill" means any bill or joint resolution
21 introduced or any bill or joint resolution amended by a member of
22 the Oklahoma Legislature which creates or amends any law directly
23 affecting a retirement system. A retirement bill shall not mean a
24 bill or resolution that impacts the revenue of any state tax in

1 which a portion of the revenue generated from such tax is earmarked
2 for the benefit of a retirement system;

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

6 9. "Retirement system" means the Teachers' Retirement System of
7 Oklahoma, the Oklahoma Public Employees Retirement System, the
8 Uniform Retirement System for Justices and Judges, the Oklahoma
9 Firefighters Pension and Retirement System, the Oklahoma Police
10 Pension and Retirement System, the Oklahoma Law Enforcement
11 Retirement System, or a retirement system established after January
12 1, 2006.

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

16 A. Except as provided in subsection B of this section and
17 except for persons receiving benefits pursuant to Section 49-101 of
18 Title 11 of the Oklahoma Statutes, effective November 1, 2018, any
19 person receiving benefits from the Oklahoma Firefighters Pension and
20 Retirement System as of November 30, 2017, who continues to receive
21 benefits on or after November 1, 2018, shall receive an eight-
22 percent increase in said benefits on November 1, 2018.

23 B. Any increase in benefits a person is eligible to receive
24 pursuant to repealed Section 49-136 of Title 11 of the Oklahoma

1 Statutes after November 30, 2016, shall be used to offset the
2 increase in benefits provided in subsection A of this section.

3 C. Effective November 1, 2018, any persons receiving benefits
4 pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes
5 shall each receive a benefit equal to Eight Dollars and thirteen
6 cents (\$8.13) for each year of credited service not to exceed thirty
7 (30) years of service.

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

11 A. Except as provided in subsection B of this section, any
12 person receiving benefits from the Oklahoma Police Pension and
13 Retirement System as of November 30, 2017, who continues to receive
14 benefits on or after November 1, 2018, shall receive an eight-
15 percent increase in said benefits on November 1, 2018.

16 B. Any increase in benefits a person is eligible to receive
17 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma
18 Statutes, after November 30, 2016, shall be offset by the increase
19 in benefits, if any, provided by this section.

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

23 Any person receiving benefits from the Uniform Retirement System
24 for Justices and Judges as of November 30, 2017, who continues to

1 receive benefits on or after November 1, 2018, shall receive an
2 eight-percent increase in said benefits beginning in November 2018.

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

6 A. Except as provided in subsection B of this section, any
7 person receiving benefits from the Oklahoma Law Enforcement
8 Retirement System as of November 30, 2017, who continues to receive
9 benefits on or after November 1, 2018, shall receive an eight-
10 percent increase in said benefits beginning in November 2018.

11 B. Any increase in benefits a person is eligible to receive
12 pursuant to subsection B, C or D of Section 2-305 of Title 47 of the
13 Oklahoma Statutes, after November 30, 2018, shall be offset by the
14 increase in benefits, if any, provided by this section.

15 SECTION 6. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 17-116.22 of Title 70, unless
17 there is created a duplication in numbering, reads as follows:

18 A. Any person receiving benefits from the Teachers' Retirement
19 System of Oklahoma as of November 30, 2017, other than those
20 benefits specified in subsection B of this section, who continues to
21 receive benefits on or after November 1, 2018, shall receive an
22 eight-percent increase in said benefits beginning in November 2018.

23 B. Any person receiving benefits pursuant to subsection (3) of
24 Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits

1 commenced prior to November 1, 2017, and who continues to receive
2 benefits on or after November 1, 2018, shall receive an eight-
3 percent increase in said benefits beginning in November 2018.

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

7 Any person receiving benefits from the Oklahoma Public Employees
8 Retirement System as of November 30, 2017, who continues to receive
9 benefits on or after November 1, 2018, shall receive an eight-
10 percent increase in said benefits beginning in November 2018.

11 SECTION 8. Section 1 of this act shall become effective
12 October 1, 2018.

13 SECTION 9. Sections 2 through 7 of this act shall become
14 effective November 1, 2018.

15

16 56-2-8692 MAH 12/27/17

17

18

19

20

21

22

23

24

THOMAS E. CUMMINS CONSULTING ACTUARY, INC.

2512 E. 71st Street, Suite D · Tulsa, Oklahoma 74136

(918) 492-9658 · (918) 492-9659

January 11, 2018

Representative Avery Frix
Room 328B

Re: RBH No. 8692

RBH No. 8692 an exception to Oklahoma Pension Legislation Actuarial Analysis Act definition of nonfiscal bill. A bill that grants a cost of living adjustment will be a nonfiscal bill. This provision is effective **October 1, 2018**.

This bill grants an eight percent (8%) cost of living adjustment for:

- Teachers Retirement System
- Oklahoma Public Employees Retirement System
- Oklahoma Firefighters Pension and Retirement System
- Oklahoma Police Pension and Retirement System
- Uniform Retirement System for Justices and Judges
- Oklahoma Law Enforcement Retirement System

The COLAs are effective **November 1, 2018**.

RBH No. 8692 is a nonfiscal bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act because due to the change in the definition of nonfiscal bill.

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