

**HOUSE OF REPRESENTATIVES - FLOOR VERSION**

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 3350

By: **Frix, Sneed, Kerbs, Grego,  
O'Donnell, Phillips,  
Luttrell and Caldwell  
(Trey)** of the House

and

**Pemberton** of the Senate

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems; amending 62 O.S. 2011, Section 3103, as last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2019, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definitions; 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 retired 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; providing for contingent timing based on failure of emergency clause; providing for payment

1 of benefits by retirement systems for certain  
2 periods; providing an effective date; and declaring  
3 an emergency.  
4

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

6 SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as  
7 last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.  
8 2019, Section 3103), is amended to read as follows:

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

11 1. "Amendment" means any amendment, including a substitute  
12 bill, made to a retirement bill by any committee of the House or  
13 Senate, any conference committee of the House or Senate or by the  
14 House or Senate;

15 2. "RB number" means that number preceded by the letters "RB"  
16 assigned to a retirement bill by the respective staffs of the  
17 Oklahoma State Senate and the Oklahoma House of Representatives when  
18 the respective staff office prepares a retirement bill for a member  
19 of the Legislature;

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

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

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

6 a. which does not affect the cost or funding factors of a  
7 retirement system, ~~or~~

8 b. which affects such factors only in a manner which does  
9 not:

10 (1) grant a benefit increase under the retirement  
11 system affected by the bill,

12 (2) create an actuarial accrued liability for or  
13 increase the actuarial accrued liability of the  
14 retirement system affected by the bill, or

15 (3) increase the normal cost of the retirement system  
16 affected by the bill,

17 c. which authorizes the purchase by an active member of  
18 the retirement system, at the actuarial cost for the  
19 purchase as computed pursuant to the statute in effect  
20 on the effective date of the measure allowing such  
21 purchase, of years of service for purposes of reaching  
22 a normal retirement date in the applicable retirement  
23 system, but which cannot be used in order to compute  
24

- 1 the number of years of service for purposes of  
2 computing the retirement benefit for the member,
- 3 d. which provides for the computation of a service-  
4 connected disability retirement benefit for members of  
5 the Oklahoma Law Enforcement Retirement System  
6 pursuant to Section 2-305 of Title 47 of the Oklahoma  
7 Statutes if the members were unable to complete twenty  
8 (20) years of service as a result of the disability,
- 9 e. which requires membership in the defined benefit plan  
10 authorized by Section 901 et seq. of Title 74 of the  
11 Oklahoma Statutes for persons whose first elected or  
12 appointed service occurs on or after November 1, 2018,  
13 if such persons had any prior service in the Oklahoma  
14 Public Employees Retirement System prior to November  
15 1, 2015, ~~or~~
- 16 f. which provides for a one-time increase in retirement  
17 benefits if the increase in retirement benefits is not  
18 a permanent increase in the gross annual retirement  
19 benefit payable to a member or beneficiary, occurs  
20 only once pursuant to a single statutory authorization  
21 and does not exceed:
- 22 (1) the lesser of two percent (2%) of the gross  
23 annual retirement benefit of the member or One  
24 Thousand Dollars (\$1,000.00) and requires that

1 the benefit may only be provided if the funded  
2 ratio of the affected retirement system would not  
3 be less than sixty percent (60%) but not greater  
4 than eighty percent (80%) after the benefit  
5 increase is paid,

6 (2) the lesser of two percent (2%) of the gross  
7 annual retirement benefit of the member or One  
8 Thousand Two Hundred Dollars (\$1,200.00) 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 eighty percent (80%)  
12 but not greater than one hundred percent (100%)  
13 after the benefit increase is paid,

14 (3) the lesser of two percent (2%) of the gross  
15 annual retirement benefit of the member or One  
16 Thousand Four Hundred Dollars (\$1,400.00) and  
17 requires that the benefit may only be provided if  
18 the funded ratio of the affected retirement  
19 system would be greater than one hundred percent  
20 (100%) after the benefit increase is paid, or

21 (4) the greater of two percent (2%) of the gross  
22 annual retirement benefit of the volunteer  
23 firefighter or One Hundred Dollars (\$100.00) for  
24 persons who retired from the Oklahoma

1 Firefighters Pension and Retirement System as  
2 volunteer firefighters and who did not retire  
3 from the Oklahoma Firefighters Pension and  
4 Retirement System as a paid firefighter.

5 As used in this subparagraph, "funded ratio" means the  
6 figure derived by dividing the actuarial value of  
7 assets of the applicable retirement system by the  
8 actuarial accrued liability of the applicable  
9 retirement system, or

10 g. which provides a cost-of-living benefit increase  
11 pursuant to the provisions of Sections 2 through 7 of  
12 this act.

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

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

1       7. "Retirement bill" means any bill or joint resolution  
2 introduced or any bill or joint resolution amended by a member of  
3 the Oklahoma Legislature which creates or amends any law directly  
4 affecting a retirement system. A retirement bill shall not mean a  
5 bill or resolution that impacts the revenue of any state tax in  
6 which a portion of the revenue generated from such tax is earmarked  
7 for the benefit of a retirement system;

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

11       9. "Retirement system" means the Teachers' Retirement System of  
12 Oklahoma, the Oklahoma Public Employees Retirement System, the  
13 Uniform Retirement System for Justices and Judges, the Oklahoma  
14 Firefighters Pension and Retirement System, the Oklahoma Police  
15 Pension and Retirement System, the Oklahoma Law Enforcement  
16 Retirement System, or a retirement system established after January  
17 1, 2006.

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

21       A. Except as provided in subsection B of this section and  
22 except for persons receiving benefits pursuant to Section 49-101 of  
23 Title 11 of the Oklahoma Statutes, effective July 1, 2020, any  
24 person receiving benefits from the Oklahoma Firefighters Pension and

1 Retirement System as of June 30, 2019, who continues to receive  
2 benefits on or after July 1, 2020, shall receive an increase in  
3 benefits as follows:

4 1. Zero percent (0%) if the person has been retired for less  
5 than two (2) years as of July 1, 2020;

6 2. Two percent (2%) if the person has been retired for at least  
7 two (2) years but less than five (5) years as of July 1, 2020; and

8 3. Four percent (4%) if the person has been retired for five  
9 (5) years or more as of July 1, 2020.

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

14 C. Effective July 1, 2020, for each year of credited service,  
15 not to exceed thirty (30) years of service, any persons receiving  
16 benefits pursuant to Section 49-101 of Title 11 of the Oklahoma  
17 Statutes shall each receive a benefit equal to:

18 1. Zero percent (0%) if the person has been retired for less  
19 than two (2) years as of July 1, 2020;

20 2. Seven Dollars and sixty-eight cents (\$7.68) if the person  
21 has been retired for at least two (2) years but less than five (5)  
22 years as of July 1, 2020; and

23 3. Seven Dollars and eighty-three cents (\$7.83) if the person  
24 has been retired for five (5) years or more as of July 1, 2020.



1 SECTION 3. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 50-136.9 of Title 11, 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 Police Pension and  
6 Retirement System as of June 30, 2019, who continues to receive  
7 benefits on or after July 1, 2020, shall receive an increase in  
8 benefits as follows:

9 1. Zero percent (0%) if the person has been retired for less  
10 than two (2) years as of July 1, 2020;

11 2. Two percent (2%) if the person has been retired for at least  
12 two (2) years but less than five (5) years as of July 1, 2020; and

13 3. Four percent (4%) if the person has been retired for five  
14 (5) years or more as of July 1, 2020.

15 B. Any increase in benefits a person is eligible to receive  
16 pursuant to repealed Section 50-120 of Title 11 of the Oklahoma  
17 Statutes, after June 30, 2008, shall be offset by the increase in  
18 benefits, if any, provided by this section.

19 SECTION 4. 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 Any person receiving benefits from the Uniform Retirement System  
23 for Justices and Judges as of June 30, 2019, who continues to  
24

1 receive benefits on or after July 1, 2020, shall receive an increase  
2 in benefits as follows:

3 1. Zero percent (0%) if the person has been retired for less  
4 than two (2) years as of July 1, 2020;

5 2. Two percent (2%) if the person has been retired for at least  
6 two (2) years but less than five (5) years as of July 1, 2020; and

7 3. Four percent (4%) if the person has been retired for five  
8 (5) years or more as of July 1, 2020.

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

12 A. Except as provided in subsection B of this section, any  
13 person receiving benefits from the Oklahoma Law Enforcement  
14 Retirement System as of June 30, 2019, who continues to receive  
15 benefits on or after July 1, 2020, shall receive an increase in  
16 benefits as follows:

17 1. Zero percent (0%) if the person has been retired for less  
18 than two (2) years as of July 1, 2020;

19 2. Two percent (2%) if the person has been retired for at least  
20 two (2) years but less than five (5) years as of July 1, 2020; and

21 3. Four percent (4%) if the person has been retired for five  
22 (5) years or more as of July 1, 2020.

23 B. Any increase in benefits a person is eligible to receive  
24 pursuant to subsection B, C or D of Section 2-305 of Title 47 of the

1 Oklahoma Statutes after July 1, 2020, shall be offset by the  
2 increase in benefits, if any, provided by this section.

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

6 A. Any person receiving benefits from the Teachers' Retirement  
7 System of Oklahoma as of June 30, 2019, other than those benefits  
8 specified in subsection B of this section, who continues to receive  
9 benefits on or after July 1, 2020, shall receive an increase in  
10 benefits as follows:

11 1. Zero percent (0%) if the person has been retired for less  
12 than two (2) years as of July 1, 2020;

13 2. Two percent (2%) if the person has been retired for at least  
14 two (2) years but less than five (5) years as of July 1, 2020; and

15 3. Four percent (4%) if the person has been retired for five  
16 (5) years or more as of July 1, 2020.

17 B. Any person receiving benefits pursuant to subsection (3) of  
18 Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits  
19 commenced prior to July 1, 2020, and who continues to receive  
20 benefits on or after July 1, 2020, shall receive an increase in  
21 benefits as follows:

22 1. Zero percent (0%) if the person has been retired for less  
23 than two (2) years as of July 1, 2020;

24

1        2. Two percent (2%) if the person has been retired for at least  
2 two (2) years but less than five (5) years as of July 1, 2020; and

3        3. Four percent (4%) if the person has been retired for five  
4 (5) years or more as of July 1, 2020.

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

8        Any person receiving benefits from the Oklahoma Public Employees  
9 Retirement System as of June 30, 2019, who continues to receive  
10 benefits on or after July 1, 2020, shall receive an increase in  
11 benefits as follows:

12        1. Zero percent (0%) if the person has been retired for less  
13 than two (2) years as of July 1, 2020;

14        2. Two percent (2%) if the person has been retired for at least  
15 two (2) years but less than five (5) years as of July 1, 2020; and

16        3. Four percent (4%) if the person has been retired for five  
17 (5) years or more as of July 1, 2020.

18        SECTION 8.        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, 2020.

22        SECTION 9.        If the Emergency Clause is not approved pursuant to  
23 the requirements of the Oklahoma Constitution as part of this  
24 measure, the effective date of Sections 2 through 7 of this act

1 shall be November 1, 2020; provided, however, that the benefit  
2 increases authorized by Sections 2 through 7 of this act shall be  
3 paid for the months of July, August, September and October by each  
4 applicable retirement system.

5 SECTION 10. Except as otherwise provided by Section 8 of this  
6 act, Section 1 of this act shall become effective immediately upon  
7 signature by the Governor or as otherwise provided by Section 58 of  
8 Article V of the Oklahoma Constitution.

9 SECTION 11. Except as otherwise provided by Section 9 of this  
10 act, Sections 2 through 7 of this act shall become effective July 1,  
11 2020.

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

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17 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/27/2020 - DO PASS,  
18 As Amended and Coauthored.

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