

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 527 By: Stanislawski of the Senate
3 and
4 McDaniel of the House
5
6

7 [county employees' retirement - maximum contributions
8 - appropriation cap - contribution cap]
9
10

11 AMENDMENT NO. 1. Replace the stricken title, enacting clause and
12 entire bill and insert

13 "An Act relating to public retirement systems;
14 amending 62 O.S. 2011, Section 3103, which relates
15 to the Oklahoma Pension Legislation Actuarial
16 Analysis Act; modifying definitions; amending 70
17 O.S. 2011, Section 17-116.2B, which relates to
18 retirement benefit computations for certain
19 employees of The Oklahoma State System of Higher
20 Education; authorizing purchase of incentive credit;
21 imposing requirements; providing for authorized use
22 of incentive credit; imposing requirement for
23 payment of certain amount pursuant to actuarial cost
24 computations; amending 47 O.S. 2011, Section 2-305,
as last amended by Section 1, Chapter 49, O.S.L.
2017 (47 O.S. Supp. 2017, Section 2-305), which
relates to retirement pay and disability benefits;
modifying calculation of certain disability
benefits; amending 74 O.S. 2011, Section 913.4, as
last amended by Section 2, Chapter 94, O.S.L. 2017
(74 O.S. Supp. 2017, Section 913.4), which relates
to the Oklahoma Public Employees Retirement System;
providing for membership by certain elected or
appointed officials in defined benefit plan; and
providing effective dates.

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

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

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

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

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

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

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

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

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

1 pursuant to Section 2-305 of Title 47 of the Oklahoma
2 Statutes if the members were unable to complete twenty
3 (20) years of service as a result of the disability,
4 or
5 e. which requires membership in the defined benefit plan
6 authorized by Section 901 et seq. of Title 74 of the
7 Oklahoma Statutes for persons whose first elected or
8 appointed service occurs on or after November 1, 2018,
9 if such persons had any prior service in the Oklahoma
10 Public Employees Retirement System prior to November
11 1, 2015.

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

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

23 7. "Retirement bill" means any bill or joint resolution
24 introduced or any bill or joint resolution amended by a member of

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

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

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

16 SECTION 2. AMENDATORY 70 O.S. 2011, Section 17-116.2B,
17 is amended to read as follows:

18 Section 17-116.2B A. Beginning July 1, 2004, a member who has
19 any creditable service as an employee of an entity or institution
20 within The Oklahoma State System of Higher Education on or after
21 July 1, 1995, who retires on or after the member's normal retirement
22 age or whose retirement is because of disability shall receive an
23 annual allowance for life, payable monthly, as follows:

24

1 1. If the member becomes a member after June 30, 1995, and was
2 not eligible to become a member prior to July 1, 1995, in an amount
3 equal to two percent (2%) of the member's average salary upon which
4 member contributions were made, multiplied by the number of the
5 member's years of creditable service;

6 2. If the member became a member or is eligible to become a
7 member prior to July 1, 1995, and elected to have a maximum
8 compensation level in excess of Twenty-five Thousand Dollars
9 (\$25,000.00) pursuant to paragraph 1 of subsection C of Section 17-
10 116.2 of this title or pursuant to subsection E of Section 17-116.2
11 of this title, or if the member's salary never exceeded Twenty-five
12 Thousand Dollars (\$25,000.00) prior to July 1, 1995, in an amount
13 equal to:

14 a. two percent (2%) of the member's average salary upon
15 which member contributions were made, not to exceed
16 Forty Thousand Dollars (\$40,000.00), multiplied by the
17 number of the member's years of creditable service
18 authorized and performed prior to July 1, 1995, plus
19 any years of prior service authorized under this
20 title, plus

21 b. two percent (2%) of the average of the member's
22 maximum compensation level upon which member
23 contributions were made for those years between July
24 1, 1995, and June 30, 2007, in which the member's

1 regular annual compensation meets or exceeds the
2 maximum compensation level in effect for the member
3 for the period July 1, 1995, through June 30, 2007,
4 multiplied by the number of the member's years of
5 creditable service for the period July 1, 1995,
6 through June 30, 2007, in which the member's regular
7 annual compensation meets or exceeds the maximum
8 compensation in effect for the member for the period
9 July 1, 1995, through June 30, 2007, plus

10 c. two percent (2%) of the member's average salary upon
11 which member contributions were made, multiplied by
12 the number of the member's years of creditable service
13 authorized and performed for an employer other than a
14 comprehensive university or for service performed for
15 an employer other than an entity or institution within
16 The Oklahoma State System of Higher Education on or
17 after July 1, 1995, but not later than June 30, 2007,
18 plus

19 d. two percent (2%) of the member's average salary upon
20 which member contributions were made, multiplied by
21 the number of the member's years of creditable service
22 in which contributions were made that did not meet or
23 exceed the member's maximum compensation level in
24 effect for the member for the period July 1, 1995,

1 through June 30, 2007, and the number of the member's
2 years of creditable service authorized and performed
3 after June 30, 2007;

4 3. If the member became a member or is eligible to become a
5 member prior to July 1, 1995, and was eligible to elect to have a
6 maximum compensation level in excess of Twenty-five Thousand Dollars
7 (\$25,000.00) and did not elect or elected not to have a maximum
8 compensation level of Forty Thousand Dollars (\$40,000.00) pursuant
9 to paragraph 1 of subsection C of Section 17-116.2 of this title or
10 pursuant to subsection E of Section 17-116.2 of this title, in an
11 amount equal to:

12 a. two percent (2%) of the member's average salary upon
13 which member contributions were made, not to exceed
14 Twenty-five Thousand Dollars (\$25,000.00), multiplied
15 by the number of the member's years of creditable
16 service authorized and performed prior to July 1,
17 1995, plus any years of prior service authorized under
18 this title, plus

19 b. two percent (2%) of the average of the member's
20 maximum compensation level upon which member
21 contributions were made for those years of service
22 between July 1, 1995, and June 30, 2007, in which the
23 member's regular annual compensation meets or exceeds
24 the maximum compensation level in effect for the

1 member for the period July 1, 1995, through June 30,
2 2007, multiplied by the number of the member's years
3 of creditable service for the period July 1, 1995,
4 through June 30, 2007, in which the member's regular
5 annual compensation meets or exceeds the maximum
6 compensation in effect for the member for the period
7 July 1, 1995, through June 30, 2007, plus

8 c. two percent (2%) of the member's average salary upon
9 which member contributions were made, multiplied by
10 the number of the member's years of creditable service
11 authorized and performed for an employer other than a
12 comprehensive university or for service performed for
13 an employer other than an entity or institution within
14 The Oklahoma State System of Higher Education on or
15 after July 1, 1995, but not later than June 30, 2007,
16 plus

17 d. two percent (2%) of the member's average salary upon
18 which member contributions were made, multiplied by
19 the number of the member's years of creditable service
20 in which contributions were made that did not meet or
21 exceed the member's maximum compensation level in
22 effect for the member for the period July 1, 1995,
23 through June 30, 2007, and the number of the member's
24

1 years of creditable service authorized and performed
2 after June 30, 2007;

3 4. Any member who retired on or after July 1, 1995, shall be
4 eligible to have the benefits recalculated in accordance with the
5 terms and provisions of paragraphs 2 and 3 of this section. In the
6 event such calculation results in an increase in benefits, such
7 benefits will be adjusted commencing January 1, 2005, and
8 thereafter. No such recalculation shall be applied in a retroactive
9 manner to result in any increase in benefits which have been paid
10 between July 1, 1995, and December 31, 2004;

11 5. For purposes of this section, the term "average of the
12 member's maximum compensation level" means an average of the annual
13 salary on which the maximum contributions were made to the Teachers'
14 Retirement System of Oklahoma for the period between July 1, 1995,
15 and June 30, 2007. The average for each member will be applied in
16 accordance with paragraph (15) of Section 17-101 of this title;

17 6. In the event there are insufficient number of years for the
18 time period between July 1, 1995, and June 30, 2007, to reach the
19 high three (3) or high consecutive five (5) years in accordance with
20 paragraph (15) of Section 17-101 of this title, the member's maximum
21 compensation level shall be determined by an average of the salary
22 on which maximum contributions were made. In no case shall the
23 member's maximum compensation level exceed the average salary as
24 determined by paragraph (15) of Section 17-101 of this title; and

1 7. Beginning July 1, 2018, an active member of the Teachers'
2 Retirement System of Oklahoma who is employed and participating with
3 an entity or institution within The Oklahoma State System of Higher
4 Education may purchase not to exceed two (2) years of incentive
5 credit if:

6 a. the member has reached his or her normal retirement
7 date or is within two (2) years of reaching the
8 member's normal retirement date as authorized in
9 Section 17-105 of this title, or

10 b. the member is eligible for or is within two (2) years
11 of being eligible for early retirement pursuant to
12 paragraph 1 of subsection A of Section 17-116.2 of
13 this title.

14 B. Purchased incentive credit may only be used as participation
15 service to qualify the member for normal or early retirement.

16 C. To receive the incentive credit, the member shall pay the
17 amount determined by the Board pursuant to Section 17-116.8 of this
18 title.

19 SECTION 3. AMENDATORY 47 O.S. 2011, Section 2-305, as
20 last amended by Section 1, Chapter 49, O.S.L. 2017 (47 O.S. Supp.
21 2017, Section 2-305), is amended to read as follows:

22 Section 2-305. A. Except as otherwise provided in this title,
23 at any time after attaining normal retirement date, any member of
24 the Oklahoma Law Enforcement Retirement System upon application for

1 unreduced retirement benefits made and approved, may retire, and,
2 during the remainder of the member's lifetime, receive annual
3 retirement pay, payable in equal monthly payments, equal to two and
4 one-half percent (2 1/2%) of the final average salary times years of
5 credited service. If such retired member is reemployed by a state
6 agency in a position which is not covered by the System, such
7 retired member shall continue to receive in-service distributions
8 from the System. Prior to September 19, 2002, if such retired
9 member was reemployed by a state agency in a position which is
10 covered by the System, such member shall continue to receive in-
11 service distributions from the System and shall not accrue any
12 further credited service. If such a member is reemployed by a state
13 agency in a position which is covered by the System on or after
14 September 19, 2002, such member's monthly retirement payments shall
15 be suspended until such member retires and is not reemployed by a
16 state agency in a position which is covered by the System.

17 B. Beginning July 1, 1994, members who retired or were eligible
18 to retire prior to July 1, 1980, or their surviving spouses shall
19 receive annual retirement pay, payable in equal monthly payments,
20 equal to the greater of their current retirement pay, or two and
21 one-half percent (2 1/2%) of the actual paid gross salary being
22 currently paid to a highway patrol officer, at the time each such
23 monthly retirement payment is made, multiplied by the retired
24 member's years of credited service.

1 C. Except as otherwise provided by this subsection, members of
2 the System whose salary is set by statute who have retired after
3 completion of the mandatory twenty (20) years of service, and those
4 members with statutory salaries who retire after reaching the
5 mandatory twenty-year retirement, or those members that had to
6 retire due to a service-connected disability and were unable to
7 complete the mandatory twenty-year retirement pursuant to subsection
8 E of this section, shall receive an annual retirement pay, payable
9 in equal monthly installments, based upon the greater of either:

10 1. The top base salary currently paid to the highest
11 nonsupervisory position in the participating agency, at the time
12 each such monthly retirement payment is made, multiplied by two and
13 one-half percent (2 1/2%) multiplied by the number of years of
14 credited service and fraction thereof for the following positions:

- 15 a. Oklahoma Highway Patrolman,
- 16 b. Communications Dispatcher,
- 17 c. Capitol Patrolman,
- 18 d. Lake Patrolman, and
- 19 e. Oklahoma State Bureau of Investigation - Special Agent
20 or Criminalist; or

21 2. The member's final average salary as set forth in paragraph
22 9 of Section 2-300 of this title, multiplied by two and one-half
23 percent (2 1/2%), and multiplied by the number of years of credited
24 service and fraction thereof.

1 No member of the System retired prior to July 1, 2002, shall
2 receive a benefit less than the amount the member is receiving as of
3 June 30, 2002.

4 The provisions of paragraph 1 of this subsection shall not be
5 applicable to any member whose first participating service with the
6 System occurs on or after November 1, 2012.

7 D. Other members of the System whose retirement benefit is not
8 otherwise prescribed by this section who have retired after
9 completion of the mandatory twenty (20) years of service, and those
10 members who retire after reaching the mandatory twenty-year
11 retirement, or those members that had to retire due to a service-
12 connected disability and were unable to complete the mandatory
13 twenty-year retirement pursuant to subsection E of this section,
14 shall receive an annual retirement pay, payable in equal monthly
15 payments, based upon the greater of either:

16 1. The actual average salary currently paid to the highest
17 nonsupervisory position in the participating agency, at the time
18 each such monthly payment is made, multiplied by two and one-half
19 percent (2 1/2%), multiplied by the number of years of credited
20 service and fraction thereof for the following positions:

- 21 a. Alcoholic Beverage Laws Enforcement Commission - ABLE
22 Commission Agent III,
- 23 b. Oklahoma State Bureau of Narcotics and Dangerous Drugs
24 Control - Narcotics Agent III,

- c. Oklahoma Tourism and Recreation Department - Park Ranger II,
- d. State Board of Pharmacy - Pharmacy Inspector,
- e. University of Oklahoma - Police Officer, and
- f. Oklahoma State University - Police Officer; or

2. The other member's final average salary as set forth in paragraph 9 of Section 2-300 of this title, multiplied by two and one-half percent (2 1/2%), multiplied by the number of years of credited service and fraction thereof.

No member of the System retired prior to July 1, 2002, shall receive a benefit less than the amount the member is receiving as of June 30, 2002. The participating employer must certify to the System in writing the actual average gross salary currently paid to the highest nonsupervisory position. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this section.

The provisions of paragraph 1 of this subsection shall not be applicable to any member whose first participating service with the System occurs on or after ~~the effective date of this act~~ May 24, 2013.

E. A member who meets the definition of disability as defined in paragraph 11 of Section 2-300 of this title by direct reason of the performance of the member's duties as an officer shall receive a monthly benefit equal to the greater of fifty percent (50%) of final

1 average salary or two and one-half percent (2 1/2%) of final average
2 salary multiplied by the number of years of the member's credited
3 service. If such member participates in the Oklahoma Law
4 Enforcement Deferred Option Plan pursuant to Section 2-305.2 of this
5 title, then such member's disability pension provided pursuant to
6 this subsection shall be reduced to account for such member's
7 participation in the Oklahoma Law Enforcement Deferred Option Plan.

8 F. A member who meets the definition of disability as defined
9 in paragraph 11 of Section 2-300 of this title and whose disability
10 is by means of personal and traumatic injury of a catastrophic
11 nature and in the line of duty, shall receive a monthly benefit
12 equal to:

- 13 1. Two and one-half percent (2 1/2%);
- 14 2. Multiplied by:
 - 15 a. twenty (20) years of service, regardless of the actual
16 number of years of credited service performed by the
17 member prior to the date of disability, if the member
18 had performed less than twenty (20) years of service,
19 or
 - 20 b. the actual number of years of service performed by the
21 member if the member had performed twenty (20) or more
22 years of service;
- 23 3. Multiplied by a final average salary equal to:

24

- 1 a. the salary which the member would have received
2 pursuant to statutory salary schedules in effect upon
3 the date of the disability for twenty (20) years of
4 service prior to disability. The final average salary
5 for a member who performed less than twenty (20) years
6 of service prior to disability shall be computed
7 assuming that the member was paid the highest salary
8 allowable pursuant to the law in effect at the time of
9 the member's disability based upon twenty (20) years
10 of service and with an assumption that the member was
11 eligible for any and all increases in pay based upon
12 rank during the entire period. If the salary of a
13 member is not prescribed by a specific salary schedule
14 upon the date of the member's disability, the final
15 average salary for the member shall be computed by the
16 member's actual final average salary or the highest
17 median salary amount for a member whose salary was
18 prescribed by a specific salary schedule upon the date
19 of the member's disability, whichever final average
20 salary amount would be greater, or
- 21 b. the actual final average salary of the member if the
22 member had performed twenty (20) or more years of
23 service prior to disability.
- 24

1 If such member participates in the Oklahoma Law Enforcement
2 Deferred Option Plan pursuant to Section 2-305.2 of this title, such
3 member's disability pension provided pursuant to this subsection
4 shall be adjusted as provided in Section 2-305.2 of this title to
5 account for such member's participation in the Oklahoma Law
6 Enforcement Deferred Option Plan.

7 G. A member who meets the definition of disability as defined
8 in Section 2-300 of this title and whose disability occurred prior
9 to the member's normal retirement date but after completing three
10 (3) years of vesting service and not by reason of the performance of
11 the member's duties or as a result of the member's willful
12 negligence shall receive a monthly benefit equal to two and one-half
13 percent (2 1/2%) of final average salary multiplied by the number of
14 years of the member's credited service.

15 H. Payment of a disability pension shall commence as of the
16 first day of the month coinciding or next following the date of
17 retirement and shall continue as long as the member meets the
18 definition of total and permanent disability provided in this
19 section.

20 I. For the purpose of determining the member's disability under
21 subsection E, F or G of this section, the member shall be required
22 by the Board to be examined by a minimum of two recognized
23 physicians selected by the Board to determine the extent of the
24 member's injury or illness. The examining physicians shall furnish

1 the Board a detailed written report of the injury or illness of the
2 examined member establishing the extent of disability and the
3 possibilities of the disabled member being returned to his or her
4 regular duties or an alternate occupation or service covered by the
5 System after a normal recuperation period. The Board shall require
6 all retired disabled members who have not attained their normal
7 retirement date to submit to a physical examination once each year
8 for a minimum of three (3) years following retirement. The Board
9 shall select a minimum of two physicians to examine the retired
10 members and pay for their services from the fund. Any retired
11 disabled member found no longer disabled by the examining physicians
12 to perform the occupation of the member or an alternate occupation
13 or service covered by the System shall be required to return to duty
14 and complete twenty (20) years of service as provided in subsection
15 A of this section, or forfeit all his or her rights and claims under
16 Section 2-300 et seq. of this title.

17 J. The disability benefit under this section shall be for the
18 lifetime of the member unless such member is found no longer
19 disabled pursuant to subsection I of this section. Such member
20 shall not be entitled to the retirement benefit pursuant to
21 subsection A of this section unless such member returns to active
22 duty and is eligible for a retirement benefit as provided in
23 subsection A of this section.

24

1 K. At the postoffer, preemployment physical examination
2 required under paragraph 6 of Section 2-300 of this title, the
3 physician selected by the Board shall determine the extent to which
4 a new member is disabled. If a member is determined to be partially
5 disabled, the physician shall assign a percentage of disability to
6 such partial disability. If such member then becomes entitled to a
7 disability benefit under either subsection E or subsection G of this
8 section, the benefit payable shall be reduced by the percentage
9 which such member was determined to be disabled at the postoffer,
10 preemployment physical unless the Board makes a determination that
11 the initially determined percentage of disability at the
12 preemployment physical examination is unrelated to the reason for
13 the disability currently sought pursuant to subsection E or
14 subsection G of this section. Upon employment, the member shall
15 disclose to the Board any disability payments received from any
16 source. The amount of disability to be paid to any member cannot
17 exceed one hundred percent (100%) disability from all sources. The
18 provisions of this subsection shall apply only to members whose
19 effective date of membership is on or after July 1, 2000.

20 L. In addition to the pension provided for under subsection F
21 of this section, if said member has one or more children under the
22 age of eighteen (18) years or under the age of twenty-two (22) years
23 if the child is enrolled full time in and is regularly attending a
24 public or private school or any institution of higher education,

1 Four Hundred Dollars (\$400.00) a month shall be paid from said Fund
2 for the support of each surviving child to the member or person
3 having the care and custody of such children until each child
4 reaches the age of eighteen (18) years or reaches the age of twenty-
5 two (22) years if the child is enrolled full time in and is
6 regularly attending a public or private school or any institution of
7 higher education.

8 M. Notwithstanding any other provisions in Section 2-300
9 through 2-315 of this title, in order to be eligible to receive
10 disability benefits, a member who meets the definition of disability
11 as defined in paragraph 11 of Section 2-300 of this title shall file
12 the member's completed application for disability benefits with the
13 System before such member's date of termination from service and
14 provide such additional information that the System's rules require
15 within six (6) months of the System's receipt of such application.
16 If the member's completed application for disability benefits is not
17 filed with the System before the member's date of termination from
18 service or such additional information as is required under the
19 System's rules is not provided within six (6) months of the System's
20 receipt of such application, such member shall be eligible only for
21 such other benefits as are available to members of the System and
22 shall not be eligible to receive any disability benefits. For good
23 cause shown, the Board of Trustees may waive the requirement that
24 the disability application be filed before the member's date of

1 termination from service. In no event shall a member be eligible to
2 receive any disability benefit if the member's completed application
3 is filed more than six (6) months after the member's date of
4 termination from service.

5 N. If the requirements of Section 2-305.1C of this title are
6 satisfied, a member who, by reason of disability or attainment of
7 normal retirement date or age, is separated from service as a public
8 safety officer with the member's participating employer may elect to
9 have payment made directly to the provider for qualified health
10 insurance premiums by deduction from his or her monthly disability
11 benefit or monthly retirement payment, after December 31, 2006, in
12 accordance with Section 402(1) of the Internal Revenue Code of 1986,
13 as amended.

14 SECTION 4. AMENDATORY 74 O.S. 2011, Section 913.4, as
15 last amended by Section 2, Chapter 94, O.S.L. 2017 (74 O.S. Supp.
16 2017, Section 913.4), is amended to read as follows:

17 Section 913.4 A. 1. Except as otherwise provided in this
18 subsection, an elected official may elect to participate in the
19 System and if he or she elects to do so shall have the option of
20 participating at any one of the computation factors set forth in
21 paragraph 3 or 4 of this subsection and will receive retirement
22 benefits in accordance with the computation factor chosen. The
23 election on participation in the System must be in writing, must
24 specify the computation factor chosen, and must be filed with the

1 System within ninety (90) days after the elected official takes
2 office. The election to participate and the election of a
3 computation factor shall be irrevocable. Reelection to the same
4 office will not permit new elections. Failure of an elected
5 official to file such election form within the ninety-day period
6 shall be deemed an irrevocable election to participate in the System
7 at the maximum computation factor.

8 2. Contributions and benefits will be based upon the elected
9 official's annual compensation as defined in Section 902 of this
10 title. Employer and elected official contributions shall be
11 remitted at least monthly, or as the Board may otherwise provide, to
12 the System for deposit in the Oklahoma Public Employees Retirement
13 Fund. Effective July 1, 1994, and thereafter, the participating
14 employer shall contribute as provided in Section 920 of this title.

15 3. Except as provided in paragraph 4 of this subsection,
16 effective July 1, 1994, the computation factor selected and the
17 corresponding elected official contribution rate shall be as
18 follows:

19	Elected official	Computation	Alternate
20	Contribution Rate	Factor	Formula
21	4.5%	1.9%	\$12.50
22	6%	2.5%	\$20.00
23	7.5%	3.0%	\$25.00
24	8.5%	3.4%	\$27.50

1	9%	3.6%	\$30.00
2	10%	4.0%	\$40.00

3 4. Elected officials who are first elected or appointed to an
4 elected office on or after November 1, 2010, shall elect a
5 computation factor of either 1.9% or 4%. The elected official
6 contribution rate for the 1.9% computation factor is currently 4.5%
7 and the contribution rate for the 4% computation factor is currently
8 10%. All other computation factors and contribution rates set forth
9 in paragraph 3 of this subsection shall not be available to any
10 person first elected or appointed to an elected office on or after
11 November 1, 2010.

12 5. The contribution rate for elected officials who are first
13 elected or appointed to an elected office on or after November 1,
14 2011, shall be in the amount specified in paragraph (a) of
15 subsection (1) of Section 919.1 of this title. The amount of the
16 retirement benefit for elected officials who are first elected or
17 appointed to an elected office on or after November 1, 2011, shall
18 be based on the provisions of paragraph (1) of subsection A of
19 Section 915 of this title.

20 6. The computation factors and corresponding elected official
21 contribution rates provided for in paragraphs 3 and 4 of this
22 subsection shall be based on the entire compensation as an elected
23 official subject to the definition and maximum compensation levels
24 as set forth in paragraph (9) of Section 902 of this title.

1 7. Elected officials who are first elected or appointed on or
2 after November 1, 2011, shall also be eligible to make the election
3 of an alternate multiplier and contribution rate pursuant to
4 paragraph 2 of subsection A of Section 915 of this title.

5 8. A statewide elected official or legislator whose first
6 service as an elected official occurs on or after November 1, 2015,
7 shall become a participant in the defined contribution system
8 created by Sections 1 through 11 of this act and such elected
9 official shall not accrue any service credit in the defined benefit
10 plan of the Oklahoma Public Employees Retirement System created
11 pursuant to Section 901 et seq. of this title.

12 9. Notwithstanding the provisions of paragraph 8 of this
13 subsection, a statewide elected official or legislator who is first
14 elected or appointed on or after November 1, 2018, and who has
15 participating service in the defined benefit plan prior to November
16 1, 2015, shall be a member of the defined benefit plan.

17 B. The normal retirement date for an elected official shall be
18 the first day of the month coinciding with or following the
19 official's sixtieth birthday or the first day of the month
20 coinciding with or following the date at which the sum of the
21 elected official's age and number of years of credited service total
22 eighty (80). The normal retirement date for an elected official
23 first elected or appointed to an elected office on or after November
24 1, 2011, shall be the first day of the month coinciding with or

1 following the official's sixty-fifth birthday or the date upon which
2 the elected or appointed official attains the age of sixty-two (62)
3 and who has at least ten (10) years of elected or appointed service.
4 Any elected official first elected or appointed to an elected office
5 before November 1, 2011, who has a minimum of ten (10) years'
6 participating service may retire under the early retirement
7 provisions of this act, including those electing a vested benefit
8 and shall receive an adjustment of annual benefits in accordance
9 with the following percentage schedule:

	Age	Percentage of Normal Retirement Benefits
10		
11		
12	60	100%
13	59	94%
14	58	88%
15	57	82%
16	56	76%
17	55	70%

18 Any elected official first elected or appointed to an elected
19 office on or after November 1, 2011, who has a minimum of ten (10)
20 years' participating service may retire under the early retirement
21 provisions of this act, including those electing a vested benefit
22 and shall receive an adjustment of annual benefits in accordance
23 with the following percentage schedule:

24 Percentage of Normal

1	Age	Retirement Benefits
2	62	100%
3	61	93.33%
4	60	86.67%

5 C. 1. Any elected official shall receive annual benefits
6 computed based upon the computation factor selected multiplied by
7 the member's highest annual compensation received as an elected
8 official prior to retirement or termination of employment multiplied
9 by the number of years of credited service. No elected official
10 shall retire using such highest annual compensation unless the
11 elected official has made the required election and has paid the
12 required contributions on such salary.

13 2. The retirement benefit may be computed pursuant to the
14 provisions of paragraph (1) of subsection A of Section 915 of this
15 title if the benefit would be higher. Elected officials who have a
16 vested benefit prior to July 1, 1980, may elect to receive annual
17 benefits based on the alternate formula provided above. Such annual
18 benefits shall be paid in equal monthly installments.

19 3. Elected officials who become members of the Oklahoma Public
20 Employees Retirement System on or after August 22, 2008, will
21 receive retirement benefits in accordance with the computation
22 factor selected pursuant to subsection A of this section multiplied
23 by the member's highest annual compensation received as an elected
24 official and only for those years of credited service the member

1 served as an elected official. If such elected official has
2 participating service as a nonelected member, then such nonelected
3 service shall be computed separately pursuant to the provisions of
4 paragraph (1) of subsection A of Section 915 of this title with the
5 final benefit result added to the final benefit result for elected
6 service. In no event shall the elected official be entitled to
7 apply the computation factor selected pursuant to subsection A of
8 this section or the compensation received as an elected official to
9 the computation of nonelected service.

10 4. Elected officials who are first elected or appointed to an
11 elected office on or after August 22, 2008, may not receive a
12 maximum benefit greater than their single highest annual
13 compensation received as a member of the Oklahoma Public Employees
14 Retirement System.

15 D. Any elected official making an election to participate at a
16 computation factor less than the maximum and later selecting a
17 higher computation factor shall contribute to the System a sum equal
18 to the amount which the elected official would have contributed if
19 the elected official had made such election at the time the elected
20 official first became eligible, plus interest as determined by the
21 Board, in order to receive the additional benefits for all service
22 as an elected official; otherwise, the additional benefits shall be
23 applicable only to service for which the elected official pays the
24 appropriate percent of contributions to the System.

1 E. The surviving spouse of a deceased elected official who was
2 first elected or appointed to an elected office before November 1,
3 2011, and who has at least six (6) years of participating service
4 and the surviving spouse of a deceased elected official who was
5 first elected or appointed to an elected office on or after November
6 1, 2011, and who has at least eight (8) years of participating
7 service shall be entitled to receive survivor benefits in the amount
8 herein prescribed, if married to the decedent continuously for a
9 period of at least three (3) years immediately preceding the elected
10 official's death. Provided the elected official had met the service
11 requirements, survivor benefits shall be payable when the deceased
12 member would have met the requirements for normal or early
13 retirement. The amount of the benefits the surviving spouse may
14 receive shall be fifty percent (50%) of the amount of benefits the
15 deceased elected official was receiving or will be eligible to
16 receive. Elected officials may elect a retirement option as
17 provided in Section 918 of this title in lieu of the survivors
18 benefit provided above.

19 F. Any elected official who served in the Armed Forces of the
20 United States, as defined in paragraph (23) of Section 902 of this
21 title, prior to membership in the Oklahoma Public Employees
22 Retirement System shall be granted credited service of not to exceed
23 five (5) years for those periods of active military service during
24 which the elected official was a war veteran.

1 G. Anyone appointed or elected to an elected position after
2 July 1, 1990, shall not be eligible to receive benefits as provided
3 in this section until such person has participated as an elected
4 official for six (6) years. Anyone appointed or elected to an
5 elected position on or after November 1, 2011, shall not be eligible
6 to receive benefits as provided in this section until such person
7 has participated as an elected official for eight (8) years.

8 H. Elected officials who terminate participation in the System
9 and who have a minimum of six (6) years of participating service
10 shall be entitled to elect a vested benefit and shall be entitled to
11 the retirement options as provided in Section 918 of this title in
12 lieu of the survivors benefit provided in subsection E of this
13 section. Elected officials, first elected or appointed to an
14 elected office on or after November 1, 2011, who terminate
15 participation in the System and who have a minimum of eight (8)
16 years of participating service shall be entitled to elect a vested
17 benefit and shall be entitled to retirement options as provided in
18 Section 918 of this title in lieu of the survivors benefits provided
19 in subsection E of this section.

20 I. In determining the number of years of credited service, a
21 fractional year of six (6) months or more shall be considered as one
22 (1) year, and less than six (6) months or more shall be disregarded.
23 For members who joined the System on or after November 1, 2011, the
24

1 number of years of credited service shall be based on actual years
2 and months of credited service without rounding up or down.

3 SECTION 5. Section 1 of this act shall become effective October
4 1, 2018.

5 SECTION 6. Sections 2 through 4 of this act shall become
6 effective November 1, 2018."

7 Passed the House of Representatives the 7th day of March, 2018.

8

9

10 _____
11 Presiding Officer of the House of
Representatives

12 Passed the Senate the ____ day of _____, 2018.

13

14

15 _____
16 Presiding Officer of the Senate

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1 ENGROSSED SENATE
BILL NO. 527

By: Stanislawski of the Senate

and

McDaniel of the House

[county employees' retirement - maximum contributions
- appropriation cap - contribution cap]

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

10 SECTION 7. AMENDATORY 19 O.S. 2011, Section 954, is
11 amended to read as follows:

12 Section 954. It shall be the mandatory duty of the board of
13 county commissioners of any county establishing a retirement fund
14 and system to appropriate annually, for the sole use of the
15 retirement fund within its general fund and subject to the approval
16 of the county excise board, a sum which shall be equal to or exceed
17 the contributions made to the retirement fund by the employees.
18 Such appropriation shall not exceed the sum of the current annual
19 salaries of all employees to be covered in the following
20 percentages:

21	July 1, 2007 - June 30, 2008	13 1/2%
22	July 1, 2008 - June 30, 2009	14 1/2%
23	July 1, 2009 - June 30, 2010	15 1/2%
24	July 1, 2010 - June 30, 2011	

1 June 30, 2017 16 1/2%

2 July 1, 2017 - June 30, 2018

3 and each year thereafter 17%

4 Beginning ~~July 1, 2007~~ July 1, 2017, the total employer and
5 employee contributions shall not exceed ~~sixteen and one-half percent~~
6 ~~(16.5%)~~ seventeen percent (17%) of the monthly compensation of each
7 member. The governing body of the participating employers listed in
8 this section may vary the percentage contribution of the employer
9 and employee, provided the total percentage contributed by the
10 employer and employee equals the total percentage contribution
11 required by this section. Payment of such shall be paid to the fund
12 upon verified claims by the treasurer of ~~said~~ the fund approved by
13 the board of trustees and attested by its clerk.

14 Passed the Senate the 20th day of March, 2017.

15

16

Presiding Officer of the Senate

17

18 Passed the House of Representatives the ____ day of _____,
19 2017.

20

21

Presiding Officer of the House
of Representatives

22

23

24