

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 ENGROSSED SENATE
5 BILL NO. 630

By: Montgomery of the Senate

6 and

7 Lepak of the House

8
9 An Act relating to state retirement systems; amending
10 11 O.S. 2021, Sections 49-106, 49-106.1, as amended
11 by Section 5, Chapter 232, O.S.L. 2022, 49-106.5, 49-
12 109, 50-114, as amended by Section 1, Chapter 228,
13 O.S.L. 2022, 50-114.4, and 50-115, as amended by
14 Section 3, Chapter 306, O.S.L. 2022 (11 O.S. Supp.
15 2022, Section 49-106.1, 50-114, and 50-115), which
16 relate to the Oklahoma Firefighters Pension and
17 Retirement System and the Oklahoma Police Pension and
18 Retirement System; updating statutory compliance with
19 federal regulations; conforming language; amending 47
20 O.S. 2021, Sections 2-300, 2-305, as amended by
21 Section 2, Chapter 255, O.S.L. 2022, and 2-305.1C (47
22 O.S. Supp. 2022, Section 2-305), which relate to the
23 Oklahoma Law Enforcement Retirement System; updating
24 statutory compliance with federal regulations;
conforming language; updating statutory reference;
updating statutory language; and declaring an
emergency.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 49-106, is
amended to read as follows:

1 Section 49-106. A. Any firefighter who reaches the
2 firefighter's normal retirement date shall be entitled, upon written
3 request, to retire from such service and be paid from the Oklahoma
4 Firefighters Pension and Retirement System a monthly pension equal
5 to the member's accrued retirement benefit; provided, that the
6 pension shall cease during any period of time the member may
7 thereafter serve for compensation in any municipal fire department
8 in the state. If such a member is reemployed by a participating
9 municipality in a position which is not covered by the System,
10 retirement shall also include receipt by such member of in-service
11 distributions from the System.

12 B. With respect to distributions under the System made for
13 calendar years beginning on or after January 1, 2005, the System
14 shall apply the minimum distribution incidental benefit
15 requirements, incidental benefit requirements, and minimum
16 distribution requirements of Section 401(a)(9) of the Internal
17 Revenue Code of 1986, as amended, in accordance with the final
18 regulations under Section 401(a)(9) of the Internal Revenue Code of
19 1986, as amended, including Treasury Regulations Sections
20 1.401(a)(9)-1 through 1.401(a)(9)-9; provided, however, that for
21 distributions required to be made after December 31, 2019, for
22 individuals who attain seventy and one-half (70 1/2) years of age
23 after December 31, 2019, but before January 1, 2023, such
24 distributions shall take into account that age 70 1/2 was stricken

1 and age 72 was inserted in Section 401(a)(9)(B)(iv)(I), Section
2 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal
3 Revenue Code of 1986, as amended, and, provided further, that for
4 individuals who attain seventy-two (72) years of age after December
5 31, 2022, such distributions shall take into account that "age 72"
6 was stricken and "the applicable age", as defined in Section
7 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended,
8 was inserted in Section 401(a)(9)(B)(iv)(I), Section
9 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal
10 Revenue Code of 1986, as amended, in all cases notwithstanding any
11 provision of the System to the contrary. With respect to
12 distributions under the System made for calendar years beginning on
13 or after January 1, 2001, through December 31, 2004, the System
14 shall apply the minimum distribution requirements and incidental
15 benefit requirements of Section 401(a)(9) of the Internal Revenue
16 Code of 1986, as amended, in accordance with the regulations under
17 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
18 which were proposed in January 2001, notwithstanding any provision
19 of the System to the contrary. Effective July 1, 1989,
20 notwithstanding any other provision contained herein to the
21 contrary, in no event shall commencement of distribution of the
22 accrued retirement benefit of a member be delayed beyond April 1 of
23 the calendar year following the later of:

24

1 1. The calendar year in which the member reaches seventy and
2 one-half (70 1/2) years of age for a member who attains age seventy
3 and one-half (70 1/2) before January 1, 2020, or effective for
4 distributions required to be made after December 31, 2019, but
5 before January 1, 2023, the calendar year in which the member
6 reaches seventy-two (72) years of age for an individual who attains
7 age seventy and one-half (70 1/2) after December 31, 2019, or
8 effective for distributions required to be made after December 31,
9 2022, the calendar year in which the member reaches seventy-three
10 (73) years of age for an individual who attains age seventy-two (72)
11 after December 31, 2022, or "the applicable age", as defined in
12 Section 401(a) (9) (C) (v) of the Internal Revenue Code of 1986, as
13 amended, if later; or

14 2. The actual retirement date of the member.

15 Effective September 8, 2009, notwithstanding anything to the
16 contrary of the System, the System, which is a governmental plan
17 (within the meaning of Section 414(d) of the Internal Revenue Code
18 of 1986, as amended) is treated as having complied with Section
19 401(a) (9) of the Internal Revenue Code of 1986, as amended, for all
20 years to which Section 401(a) (9) of the Internal Revenue Code of
21 1986, as amended, applies to the System if the System complies with
22 a reasonable and good-faith interpretation of Section 401(a) (9) of
23 the Internal Revenue Code of 1986, as amended.

24

1 C. Any member or beneficiary eligible to receive a monthly
2 benefit from the System may make an election to waive all or a
3 portion of monthly benefits.

4 D. If the requirements of Section 49-106.5 of this title are
5 satisfied, a member who, by reason of attainment of normal
6 retirement date or age, is separated from service as a public safety
7 officer with the member's participating municipality, may elect to
8 have payment made directly to the provider for qualified health
9 insurance premiums by deduction from his or her monthly pension
10 payment, after December 31, 2006, in accordance with Section ~~402(1)~~
11 402(1) of the Internal Revenue Code of 1986, as amended. For
12 distributions made after December 29, 2022, the election provided
13 for under Section 402(1) of the Internal Revenue Code of 1986, as
14 amended, may be made whether payment of the premiums is made
15 directly to the provider of the accident or health plan or qualified
16 long-term care insurance contract by deduction from a distribution
17 from the System or is made to the member.

18 SECTION 2. AMENDATORY 11 O.S. 2021, Section 49-106.1, as
19 amended by Section 5, Chapter 232, O.S.L. 2022 (11 O.S. Supp. 2022,
20 Section 49-106.1), is amended to read as follows:

21 Section 49-106.1. A. In lieu of terminating employment and
22 accepting a service retirement pension pursuant to Sections 49-101
23 and 49-106 of this title, any member of the Oklahoma Firefighters
24 Pension and Retirement System serving as an active firefighter in a

1 fire department of a participating municipality who has not less
2 than twenty (20) years of creditable service may elect to
3 participate in the Oklahoma Firefighters Deferred Option Plan and
4 defer the receipts of benefits in accordance with the provisions of
5 this section.

6 B. For purposes of this section, creditable service shall
7 include service credit reciprocally recognized pursuant to Sections
8 49-100.1 through 49-100.8 and Sections 49-101, 49-101.1 and 49-101.2
9 of this title but for eligibility purposes only.

10 C. The duration of participation in the Oklahoma Firefighters
11 Deferred Option Plan for active firefighters shall not exceed five
12 (5) years. Participation in the Oklahoma Firefighters Deferred
13 Option Plan must begin the first day of a month and end on the last
14 day of a month. At the conclusion of a member's participation in
15 the Oklahoma Firefighters Deferred Option Plan, the member shall
16 terminate employment with all participating municipalities as a
17 firefighter, and shall start receiving the member's accrued monthly
18 retirement benefit from the System. Such a member may be reemployed
19 by a participating municipality but only in a position not covered
20 under the System, and receive in-service distributions of such
21 member's accrued monthly retirement benefit from the System.

22 D. When a member begins participation in the Oklahoma
23 Firefighters Deferred Option Plan, the contribution of the member
24 shall cease. The employer contributions shall continue to be paid

1 in accordance with subsection B of Section 49-122 of this title.
2 Employer contributions for members who elect the Oklahoma
3 Firefighters Deferred Option Plan shall be credited equally to the
4 Oklahoma Firefighters Pension and Retirement System and to the
5 member's Oklahoma Firefighters Deferred Option Plan account. The
6 monthly retirement benefits that would have been payable had the
7 member elected to cease employment and receive a service retirement
8 shall be paid into the member's Oklahoma Firefighters Deferred
9 Option Plan account.

10 E. 1. A member who participates in this plan shall be eligible
11 to receive cost-of-living increases.

12 2. A member who participates in this plan shall earn interest
13 at a rate of two percentage points below the rate of return of the
14 investment portfolio of the System, but no less than the actuarial
15 assumed interest rate as certified by the actuary in the yearly
16 evaluation report of the actuary. The interest shall be credited to
17 the individual account balance of the member on an annual basis.

18 3. Effective November 1, 2013, the Oklahoma Firefighters
19 Deferred Option Plan account for a member whose first service with a
20 participating municipality of the System occurs on or after November
21 1, 2013, and who participates for the first time in the Oklahoma
22 Firefighters Deferred Option Plan on or after November 1, 2013, and
23 has completed active participation in the Oklahoma Firefighters
24 Deferred Option Plan, shall earn interest at a rate equal to the

1 actual rate of return of the investment portfolio of the System,
2 less one (1) percentage point to offset administrative costs of the
3 System as determined by the System.

4 F. A member in the plan shall receive, at the option of the
5 member, a lump-sum payment from the account equal to the payments to
6 the account or an annuity based upon the account of the member or
7 may elect any other method of payment if approved by the Board of
8 Trustees. If a member becomes so physically or mentally disabled
9 while in, or in consequence of, the performance of his or her duty
10 as to prevent the effective performance of his or her duties that
11 the State Board approves an in-line-of-duty disability pension, the
12 payment from the account shall be an in-line-of-duty disability
13 payment. Notwithstanding any other provision contained herein to
14 the contrary, commencement of distributions under the Oklahoma
15 Firefighters Deferred Option Plan shall be no later than the time as
16 set forth in subsection B of Section 49-106 of this title and a
17 member whose first service with a participating municipality of the
18 System occurs on or after November 1, 2013, and who participates for
19 the first time in the Oklahoma Firefighters Deferred Option Plan on
20 or after November 1, 2013, must receive a distribution of the entire
21 remaining balance in the member's Oklahoma Firefighters Deferred
22 Option Plan account no later than April 1 of the calendar year
23 following the later of:

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1 1. The calendar year in which the member reaches seventy and
2 one-half (70 1/2) years of age for a member who attains age seventy
3 and one-half (70 1/2) before January 1, 2020, or effective for
4 distributions required to be made after December 31, 2019, but
5 before January 1, 2023, the calendar year in which the member
6 reaches seventy-two (72) years of age for an individual who attains
7 age seventy and one-half (70 1/2) after December 31, 2019, or
8 effective for distributions required to be made after December 31,
9 2022, the calendar year in which the member reaches seventy-three
10 (73) years of age for an individual who attains age seventy-two (72)
11 after December 31, 2022, or "the applicable age", as defined in
12 Section 401(a) (9) (C) (v) of the Internal Revenue Code of 1986, as
13 amended, if later; or

14 2. The actual retirement date of the member.

15 G. If a member dies while maintaining an account balance in the
16 plan the System shall pay to the designated recipient or recipients
17 of the member, or if there is no designated recipient or if the
18 designated recipient predeceases the member, to the spouse of the
19 member, or if there is no spouse or if the spouse predeceases the
20 member, to the estate of the member a lump-sum payment equal to the
21 account balance of the member. If such member was receiving, or
22 eligible to receive, an in-line-of-duty disability pension at the
23 time of his or her death, payment of the account balance shall be an
24 in-line-of-duty disability payment. If a designated recipient is

1 the surviving spouse of the member, the surviving spouse shall
2 receive his or her portion of the account balance of the member
3 pursuant to subsection F of this section. The surviving spouse,
4 whether or not he or she is a designated recipient of the member,
5 may elect to receive his or her portion of the account balance of
6 the member in the same manner as was applicable to the member.

7 H. In lieu of participating in the Oklahoma Firefighters
8 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of
9 this section, a member may elect to participate in the Oklahoma
10 Firefighters Deferred Option Plan pursuant to this subsection as
11 follows:

12 1. For purposes of this subsection and subsection I of this
13 section, the following definitions shall apply:

14 a. "back drop date" means the member's normal retirement
15 date or the date five (5) years before the member
16 elects to participate in the Oklahoma Firefighters
17 Deferred Option Plan, whichever date is later,

18 b. "termination date" means the date the member elects to
19 participate in the Oklahoma Firefighters Deferred
20 Option Plan pursuant to this subsection, and the date
21 the member terminates employment with all
22 participating municipalities as an active firefighter,
23
24

1 c. "earlier attained credited service" means the credited
2 service earned by a member as of the back drop date,
3 and

4 d. "deferred benefit balance" means all monthly
5 retirement benefits that would have been payable had
6 the member elected to cease employment on the back
7 drop date and receive a service retirement from the
8 back drop date to the termination date, all the
9 member's contributions and one-half (1/2) of the
10 employer contributions from the back drop date to the
11 termination date, with interest based on how the
12 benefit would have accumulated on a compound annual
13 basis as if the member had participated in the
14 Oklahoma Firefighters Deferred Option Plan pursuant to
15 subsections A, B, C, D, E and F of this section from
16 the back drop date to the termination date; and

17 2. At the termination date, the monthly pension benefit shall
18 be determined based on earlier attained credited service and on the
19 final average salary as of the back drop date. The member's
20 individual deferred option account shall be credited with an amount
21 equal to the deferred benefit balance, the member shall terminate
22 employment with all participating municipalities as a firefighter,
23 and shall start receiving the member's accrued monthly retirement
24 benefit from the System. Such a member may be reemployed by a

1 participating municipality but only in a position not covered under
2 the System, and receive in-service distributions of such member's
3 accrued monthly retirement benefit from the System. The provisions
4 of subsections B, C, E, F and G of this section shall apply to this
5 subsection. A member shall not participate in the Oklahoma
6 Firefighters Deferred Option Plan pursuant to this subsection if the
7 member has elected to participate in the Oklahoma Firefighters
8 Deferred Option Plan pursuant to subsections A, B, C, D, E and F of
9 this section.

10 I. Certain surviving spouses and members shall be eligible to
11 participate in the Oklahoma Firefighters Deferred Option Plan
12 pursuant to subsection H of this section and this subsection.

13 1. For purposes of this subsection, the following definitions
14 shall apply:

15 a. "back drop election date" means the date the surviving
16 spouse or member elects to commence participation in
17 the Oklahoma Firefighters Deferred Option Plan
18 pursuant to subsection H of this section and this
19 subsection,

20 b. "interest" means the actuarial assumed interest rate
21 as certified by the actuary in the yearly evaluation
22 report of the actuary,

23 c. "monthly adjustment amount" means the difference
24 between the monthly pension prior to the back drop

1 election and the adjusted monthly pension due to the
2 back drop election,

3 d. "back drop pension adjustment amount" means the sum of
4 all the monthly adjustment amounts adjusted for
5 interest from the pension commencement date to the
6 back drop election date, and

7 e. "deferred benefit balance adjustment amount" means the
8 interest on the deferred benefit balance from the
9 pension commencement date to the back drop election
10 date.

11 2. If a member who has more than twenty (20) years of
12 creditable service and is eligible to receive a service retirement
13 pension dies on or after June 4, 2007, and prior to terminating
14 employment, the member's surviving spouse shall be eligible to elect
15 to receive a benefit determined as if the member had elected to
16 participate in the Oklahoma Firefighters Deferred Option Plan in
17 accordance with subsection H of this section on the day immediately
18 preceding such member's death. Prior to July 1, 2010, the surviving
19 spouse must make any such election within one (1) year from the date
20 of the member's death. Effective July 1, 2010, the surviving spouse
21 must make any such election within ninety (90) days from the date of
22 the member's death. If on or after June 4, 2007, such election is
23 made, the monthly pension such surviving spouse is entitled to
24 receive shall be adjusted in accordance with the provisions of

1 subsection H of this section to account for the member's
2 participation in the Oklahoma Firefighters Deferred Option Plan.
3 The surviving spouse may only make this election if the member has
4 not previously elected to participate in the Oklahoma Firefighters
5 Deferred Option Plan. For purposes of this election, the surviving
6 spouse must have been married to the firefighter for the thirty (30)
7 continuous months preceding the firefighter's death; provided, the
8 surviving spouse of a member who died while in, or as a consequence
9 of, the performance of the member's duty for a participating
10 municipality shall not be subject to the marriage limitation for
11 this election.

12 3. If a member has more than twenty (20) years of creditable
13 service and is eligible for a retirement for disability monthly
14 pension pursuant to Section 49-109 of this title on or after June 4,
15 2007, such member shall be eligible to elect to receive a benefit
16 determined as if the member had elected to participate in the
17 Oklahoma Firefighters Deferred Option Plan, in accordance with
18 subsection H of this section, on the day immediately preceding the
19 date of the member's disability retirement, provided such election
20 is made within two (2) years from the date of the member's
21 disability retirement. The disability monthly pension such member
22 is receiving, or entitled to receive, shall be adjusted in
23 accordance with the provisions of subsection H of this section to
24 account for the member's participation in the Oklahoma Firefighters

1 Deferred Option Plan. The deferred benefit balance such member is
2 entitled to receive shall be reduced by the back drop pension
3 adjustment amount and increased by the deferred benefit balance
4 adjustment amount. The member may only make a back drop election if
5 the deferred benefit balance after the adjustment described in this
6 paragraph is greater than Zero Dollars (\$0.00). The member may only
7 make this election if the member has not previously elected to
8 participate in the Oklahoma Firefighters Deferred Option Plan.

9 4. If a member has more than twenty (20) years of creditable
10 service and filed a grievance for wrongful termination occurring on
11 or after June 4, 2007, or is not a member of a collective bargaining
12 organization as a firefighter, is involuntarily terminated and is
13 seeking to have his or her position as a firefighter reinstated
14 through a legal process, but is not reinstated as an active member,
15 such member shall be eligible to elect to receive a benefit
16 determined as if the member had elected to participate in the
17 Oklahoma Firefighters Deferred Option Plan in accordance with
18 subsection H of this section on the day immediately preceding the
19 date of the member's termination. Such election must be made within
20 two (2) years from the date of the member's termination as an active
21 member and, if the member's case pertaining to the member's
22 termination is on appeal to a court of competent jurisdiction,
23 within such period set by the State Board in its sole discretion.
24 The monthly pension such member is receiving, or entitled to

1 receive, shall be adjusted in accordance with the provisions of
2 subsection H of this section to account for the member's
3 participation in the Oklahoma Firefighters Deferred Option Plan.
4 The deferred benefit balance such member is entitled to receive
5 shall be reduced by the back drop pension adjustment amount and
6 increased by the deferred benefit balance adjustment amount. The
7 member may only make a back drop election if the deferred benefit
8 balance after the adjustment described in this paragraph is greater
9 than Zero Dollars (\$0.00). The member may only make this election
10 if the member has not previously elected to participate in the
11 Oklahoma Firefighters Deferred Option Plan.

12 5. Subparagraphs d and e of paragraph 1 and paragraphs 3 and 4
13 of this subsection are effective June 4, 2007, provided the Internal
14 Revenue Service issues a favorable determination letter for the
15 System which includes the provisions of such subparagraphs and
16 paragraphs without modification or as modified to conform to any
17 changes required by the Internal Revenue Service as part of its
18 determination letter review process. In the event the Internal
19 Revenue Service does not issue such a determination letter which
20 includes the provisions of such subparagraphs or paragraphs without
21 modification or as modified to conform to any changes required by
22 the Internal Revenue Service as part of its determination letter
23 review process, then subparagraphs d and e of paragraph 1 and

24

1 paragraphs 3 and 4 of this subsection shall be repealed effective
2 June 4, 2007.

3 SECTION 3. AMENDATORY 11 O.S. 2021, Section 49-106.5, is
4 amended to read as follows:

5 Section 49-106.5. A. A member who is an eligible retired
6 public safety officer and who wishes to have direct payments made
7 toward the member's qualified health insurance premiums from the
8 member's monthly disability benefit or monthly pension payment must
9 make a written election in accordance with Section ~~402(1)~~ 402(1) of
10 the Internal Revenue Code of 1986, as amended, on the form provided
11 by the Oklahoma Firefighters Pension and Retirement System, as
12 follows:

13 1. The election must be made after the member separates from
14 service as a public safety officer with the member's participating
15 municipality;

16 2. The election shall only apply to distributions from the
17 System after December 31, 2006, and to amounts not yet distributed
18 to the eligible retired public safety officer;

19 3. ~~Direct payments~~ Payments from the system for an eligible
20 retired public safety officer's qualified health insurance premiums
21 made directly to the provider of such coverage can only be made from
22 the member's monthly disability benefit or monthly pension payment
23 from the System and cannot be made from the Deferred Option Plan;
24 and

1 4. The aggregate amount of the exclusion from an eligible
2 retired public safety officer's gross income is Three Thousand
3 Dollars (\$3,000.00) per calendar year.

4 B. As used in this section:

5 1. "Public safety officer" means a member serving a public
6 agency in an official capacity, with or without compensation, as a
7 law enforcement officer, firefighter, chaplain, or as a member of a
8 rescue squad or ambulance crew;

9 2. "Eligible retired public safety officer" means a member who,
10 by reason of disability or attainment of normal retirement date or
11 age, is separated from service as a public safety officer with the
12 member's participating municipality; and

13 3. "Qualified health insurance premiums" are premiums for
14 coverage for the eligible retired public safety officer, the
15 eligible retired public safety officer's spouse, and dependents, as
16 defined in Section 152 of the Internal Revenue Code of 1986, as
17 amended, by an accident or health plan or a qualified long-term care
18 insurance contract, as defined in Section 7702B(b) of the Internal
19 Revenue Code of 1986, as amended. The health plan does not have to
20 be sponsored by the eligible retired public safety officer's former
21 participating municipality.

22 C. The Oklahoma Firefighters Pension and Retirement Board ~~shall~~
23 may promulgate such rules or procedures as are necessary to
24 implement the provisions of this section or to facilitate a member's

1 election under Section 402(1) of the Internal Revenue Code of 1986,
2 as amended.

3 SECTION 4. AMENDATORY 11 O.S. 2021, Section 49-109, is
4 amended to read as follows:

5 Section 49-109. A. Whenever any firefighter serving in any
6 capacity in a regularly constituted fire department of a
7 municipality shall become so physically or mentally disabled while
8 in, or in consequence of, the performance of the firefighter's duty
9 as to prevent the effective performance of the firefighter's duties,
10 the State Board may, upon the firefighter's written request, or
11 without such request if the State Board deems it for the good of the
12 department, retire the firefighter from active service, and if so
13 retired, shall direct that the firefighter be paid from the System a
14 monthly pension equal to the greater of:

15 1. Fifty percent (50%) of the average monthly salary which was
16 paid to the firefighter during the last thirty (30) months of the
17 firefighter's service; or

18 2. Two and one-half percent (2 1/2%) of the firefighter's final
19 average salary multiplied by the member's years of credited service,
20 not to exceed thirty (30) years, provided such firefighter has
21 completed twenty (20) or more years of credited service.

22 B. If the disability ceases within two (2) years from the date
23 of the firefighter's disability retirement and before the
24 firefighter's normal retirement date, the formerly disabled person

1 shall be restored to active service at the salary attached to the
2 rank the firefighter held at the time of the firefighter's
3 disability retirement provided the firefighter is capable of
4 performing the duties of a firefighter. Whenever such disability
5 shall cease, such disability pension provided pursuant to paragraph
6 1 of subsection A of this section shall cease. If a firefighter
7 participates in the Oklahoma Firefighters Deferred Option Plan
8 pursuant to Section 49-106.1 of this title, the firefighter's
9 disability pension provided pursuant to this subsection shall be
10 reduced to account for the firefighter's participation in the
11 Oklahoma Firefighters Deferred Option Plan.

12 C. Whenever any firefighter, who has served in any capacity in
13 a regularly constituted fire department of a municipality of the
14 state, and who has served less than the firefighter's normal
15 retirement date, shall become so physically or mentally disabled
16 from causes not arising in the line of duty as to prevent the
17 effective performance of the firefighter's duties, the firefighter
18 shall be entitled to a pension during the continuance of ~~said~~ such
19 disability based upon the firefighter's service period which shall
20 be fifty percent (50%) of the average monthly salary which was paid
21 to the firefighter during the last sixty (60) months of the
22 firefighter's service.

23 D. No firefighter shall accrue additional service time while
24 receiving a disability pension; provided further, that nothing

1 herein contained shall affect the eligibility of any firefighter to
2 apply for and receive a retirement pension after the firefighter's
3 normal retirement date; provided further, that no firefighter shall
4 receive retirement benefits from the System during the time the
5 firefighter is receiving disability benefits from the System. Any
6 member or beneficiary eligible to receive a monthly benefit pursuant
7 to this section may make an election to waive all or a portion of
8 monthly benefits.

9 E. If the requirements of Section 4 49-106.5 of this ~~act~~ title
10 are satisfied, a member who, by reason of disability, is separated
11 from service as a public safety officer with the member's
12 participating municipality, may elect to have payment made directly
13 to the provider for qualified health insurance premiums by deduction
14 from his or her monthly disability benefit, after December 31, 2006,
15 in accordance with Section ~~402(1)~~ 402(1) of the Internal Revenue
16 Code of 1986, as amended. For distributions made after December 29,
17 2022, the election provided for under Section 402(1) of the Internal
18 Revenue Code of 1986, as amended, may be made whether payment of the
19 premiums is made directly to the provider of the accident or health
20 plan or qualified long-term care insurance contract by deduction
21 from a distribution from the System or is made to the member.

22 SECTION 5. AMENDATORY 11 O.S. 2021, Section 50-114, as
23 amended by Section 1, Chapter 228, O.S.L. 2022 (11 O.S. Supp. 2022,
24 Section 50-114), is amended to read as follows:

1 Section 50-114. A. The State Board is hereby authorized to pay
2 out of funds in the System a monthly service pension to any member
3 eligible as hereinafter provided, not exceeding in any event the
4 amount of money in such funds and not exceeding in any event the
5 accrued retirement benefit for such member, except as provided for
6 herein. In order for a member to be eligible for such service
7 pension the following requirements must be complied with:

8 1. The member's service with the police department for any
9 participating municipality must have ceased; however, a member may
10 be subsequently reemployed in the position of police chief pursuant
11 to subsection C of Section 50-112 of this title;

12 2. The member must have reached the member's normal retirement
13 date; and

14 3. The member must have complied with any agreement as to
15 contributions by the member and other members to any funds of the
16 System where said agreement has been made as provided by this
17 article; provided, that should a retired member receive disability
18 benefits as provided in this and other sections of this article, the
19 time the retired member is receiving ~~said~~ disability benefits shall
20 count as time on active service if the retired member should be
21 recalled by the Chief of Police from ~~said~~ disability retirement. It
22 shall be necessary before ~~said~~ such time shall be counted toward
23 retirement that the retired member make the same contribution as the
24

1 member would have otherwise made if on active service for the time
2 the retired member was disabled.

3 B. Any member complying with all requirements of this article,
4 who reaches normal retirement date, upon application, shall be
5 retired at the accrued retirement benefit. When a member has served
6 for the necessary number of years and is otherwise eligible, as
7 provided in this article, if such member is discharged without cause
8 by the participating municipality, the member shall be eligible for
9 a pension.

10 C. Effective July 1, 1989, in no event shall commencement of
11 distribution of the accrued retirement benefit of a member be
12 delayed beyond April 1 of the calendar year following the later of:

13 1. The calendar year in which the member reaches seventy and
14 one-half (70 1/2) years of age for a member who attains age seventy
15 and one-half (70 1/2) before January 1, 2020, or effective for
16 distributions required to be made after December 31, 2019, but
17 before January 1, 2023, the calendar year in which the member
18 reaches seventy-two (72) years of age for an individual who attains
19 age seventy and one-half (70 1/2) after December 31, 2019, or
20 effective for distributions required to be made after December 31,
21 2022, the calendar year in which the member reaches seventy-three
22 (73) years of age for an individual who attains age seventy-two (72)
23 after December 31, 2022, or "the applicable age" as defined in
24

1 Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as
2 amended, if later; or

3 2. The actual retirement date of the member.

4 For distributions made for calendar years beginning on or after
5 January 1, 2001, through December 31, 2004, the System shall apply
6 the minimum distribution requirements and incidental benefit
7 requirements of Section 401(a)(9) of the Internal Revenue Code of
8 1986, as amended, in accordance with the regulations under Section
9 401(a)(9) of the Internal Revenue Code of 1986, as amended, which
10 were proposed on January 17, 2001, notwithstanding any provision of
11 the System to the contrary. For distributions made for calendar
12 years beginning on or after January 1, 2005, the System shall apply
13 the minimum distribution incidental benefit requirements, incidental
14 benefit requirements, and minimum distribution requirements of
15 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
16 in accordance with the final regulations under Section 401(a)(9) of
17 the Internal Revenue Code of 1986, as amended, including Treasury
18 Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided,
19 however, that for distributions required to be made after December
20 31, 2019, for individuals who attain seventy and one-half (70 1/2)
21 years of age after December 31, 2019, but before January 1, 2023,
22 such distributions shall take into account that age 70 1/2 was
23 stricken and age 72 was inserted in Section 401(a)(9)(B)(iv)(I),
24 Section 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the

1 Internal Revenue Code of 1986, as amended, and, provided further,
2 that for individuals who attain seventy-two (72) years of age after
3 December 31, 2022, such distributions shall take into account that
4 "age 72" was stricken and "the applicable age", as defined in
5 Section 401(a) (9) (C) (v) of the Internal Revenue Code of 1986, as
6 amended, was inserted in Section 401(a) (9) (B) (iv) (I), Section
7 401(a) (9) (C) (i) (I) and Section 401(a) (9) (C) (ii) (I) of the Internal
8 Revenue Code of 1986, as amended, in all cases notwithstanding any
9 provision of the System to the contrary. Effective January 1, 2009,
10 with respect to the Oklahoma Police Deferred Option Plan, to the
11 extent applicable, no minimum distribution is required for 2009 in
12 accordance with Section 401(a) (9) (H) of the Internal Revenue Code of
13 1986, as amended.

14 Effective September 8, 2009, notwithstanding anything to the
15 contrary of the System, the System, which is a governmental plan
16 (within the meaning of Section 414(d) of the Internal Revenue Code
17 of 1986, as amended) is treated as having complied with Section
18 401(a) (9) of the Internal Revenue Code of 1986, as amended, for all
19 years to which Section 401(a) (9) of the Internal Revenue Code of
20 1986, as amended, applies to the System if the System complies with
21 a reasonable and good-faith interpretation of Section 401(a) (9) of
22 the Internal Revenue Code of 1986, as amended.

23 D. In the event of the death of any member who has been awarded
24 a retirement benefit or is eligible therefor as provided in this

1 section, such member's beneficiaries shall be paid such retirement
2 benefit. The remaining portion of the member's retirement benefit
3 shall be distributed to the beneficiaries at least as rapidly as
4 under the method of distribution to the member. Effective March 1,
5 1997, if a member to whom a retirement benefit has been awarded or
6 who is eligible therefor dies prior to the date as of which the
7 total amount of retirement benefit paid equals the total amount of
8 the employee contributions paid by or on behalf of the member and
9 the member does not have a surviving beneficiary under paragraph 13
10 of Section 50-101 of this title, the total benefits paid as of the
11 date of the member's death shall be subtracted from the accumulated
12 employee contribution amount and the balance, if greater than zero
13 (0), shall be paid to the member's estate.

14 E. The State Board may review and affirm a member's request for
15 retirement benefits prior to the member's normal retirement date
16 provided that no retirement benefits are paid prior to the normal
17 retirement date.

18 F. A member retired under the provisions of this article may
19 apply to the State Board to have the member's retirement benefits
20 set aside and may make application for disability benefits. Upon
21 approval of the disability benefits, the member would become subject
22 to all provisions of this article pertaining to disability
23 retirement.

24

1 G. Upon the death of a retired member, the benefit payment for
2 the month in which the retired member died, if not previously paid,
3 shall be made to the beneficiary of the member, which shall include
4 a successor in interest for whom an affidavit is provided to the
5 System in accordance with Section 393 of Title 58 of the Oklahoma
6 Statutes, or if there is no surviving beneficiary under paragraph 13
7 of Section 50-101 of this title, to the member's estate or, if
8 properly designated by the member, a trust. Upon the death of a
9 beneficiary, the benefit payment for the month in which the
10 beneficiary died, if not previously paid, shall be made to the
11 beneficiary's estate or, if properly designated by the beneficiary,
12 to a trust. Such benefit payment shall be made in an amount equal
13 to a full monthly benefit payment regardless of the day of the month
14 in which the retired member or beneficiary died.

15 H. If the requirements of Section 50-114.4 of this title are
16 satisfied, a member who, by reason of attainment of normal
17 retirement date or age, is separated from service as a public safety
18 officer with the member's participating municipality, may elect to
19 have payment made directly to the provider for qualified health
20 insurance premiums by deduction from his or her monthly pension
21 payment, after December 31, 2006, in accordance with Section 402(1)
22 of the Internal Revenue Code of 1986, as amended. For distributions
23 made after December 29, 2022, the election provided for under
24 Section 402(1) of the Internal Revenue Code of 1986, as amended, may

1 be made whether payment of the premiums is made directly to the
2 provider of the accident or health plan or qualified long-term care
3 insurance contract by deduction from a distribution from the System
4 or is made to the member.

5 SECTION 6. AMENDATORY 11 O.S. 2021, Section 50-114.4, is
6 amended to read as follows:

7 Section 50-114.4. A. A member who is an eligible retired
8 public safety officer and who wishes to have direct payments made
9 toward the member's qualified health insurance premiums from the
10 member's monthly disability benefit or monthly pension payment must
11 make a written election in accordance with Section 402(1) of the
12 Internal Revenue Code of 1986, as amended, on the form provided by
13 the System, as follows:

14 1. The election must be made after the member separates from
15 service as a public safety officer with the member's participating
16 municipality;

17 2. The election shall only apply to distributions from the
18 System after December 31, 2006, and to amounts not yet distributed
19 to the eligible retired public safety officer;

20 3. ~~Direct payments~~ Payments from the System for an eligible
21 retired public safety officer's qualified health insurance premiums
22 made directly to the provider of such coverage can only be made from
23 the member's monthly disability benefit or monthly pension payment
24

1 from the System and cannot be made from the Deferred Option Plan;
2 and

3 4. The aggregate amount of the exclusion from an eligible
4 retired public safety officer's gross income is Three Thousand
5 Dollars (\$3,000.00) per calendar year.

6 B. As used in this section:

7 1. A "public safety officer" is a member serving a public
8 agency in an official capacity, with or without compensation, as a
9 law enforcement officer, firefighter, chaplain, or as a member of a
10 rescue squad or ambulance crew;

11 2. An "eligible retired public safety officer" is a member who,
12 by reason of disability or attainment of normal retirement date or
13 age, is separated from service as a public safety officer with the
14 member's participating municipality; and

15 3. "Qualified health insurance premiums" are for coverage for
16 the eligible retired public safety officer, the eligible retired
17 public safety officer's spouse, and dependents, as defined in
18 Section 152 of the Internal Revenue Code of 1986, as amended, by an
19 accident or health plan or a qualified long-term care insurance
20 contract, as defined in Section 7702B(b) of the Internal Revenue
21 Code of 1986, as amended. The health plan does not have to be
22 sponsored by the eligible retired public safety officer's former
23 participating municipality.

24

1 C. The State Board ~~shall~~ may promulgate such rules or
2 procedures as are necessary to implement the provisions of this
3 section or to facilitate a member's election under Section 402(1) of
4 the Internal Revenue Code of 1986, as amended.

5 SECTION 7. AMENDATORY 11 O.S. 2021, Section 50-115, as
6 amended by Section 3, Chapter 306, O.S.L. 2022 (11 O.S. Supp. 2022,
7 Section 50-115), is amended to read as follows:

8 Section 50-115. A. The State Board is authorized to pay a
9 disability benefit to a member of the System or a pension to the
10 beneficiaries of such member eligible as hereinafter provided, not
11 exceeding the accrued retirement benefit of the member, except as
12 otherwise provided in this article. Such disability benefit shall
13 be payable immediately upon determination of eligibility. Any
14 preexisting condition identified at the time of any initial or
15 subsequent membership shall be used to offset the percentage of
16 impairment to the whole person in determining any disability
17 benefit. Once the initial disability benefit has been awarded by
18 the Board on the basis of the percentage of impairment to the whole
19 person, the member shall have no further recourse to increase the
20 awarded percentage of impairment.

21 B. In order for any member to be eligible for any disability
22 benefit, or the member's beneficiaries to be eligible for a pension,
23 the member must have complied with any agreement as to contributions
24 by the member and other members to any funds of the System where the

1 agreement has been made as provided by this article; and the State
2 Board must find:

3 1. That the member incurred a permanent total disability or a
4 permanent partial disability or died while in, and in consequence
5 of, the performance of duty as an officer; or

6 2. That such member has served ten (10) years and incurred a
7 permanent total disability or a permanent partial disability or has
8 died from any cause.

9 C. In the event of the death of any member who has been awarded
10 a disability benefit or is eligible therefor as provided in this
11 article, the member's beneficiary shall be paid the benefit.

12 D. 1. As of the date of determination by the State Board that
13 a member has a permanent in-line disability, the member shall be
14 awarded a normal disability benefit, as defined in Section 50-101 of
15 this title.

16 2. If an injury to a member results from a violent act as
17 defined by this paragraph while in the performance of his or her
18 duties as a police officer, the State Board shall make a
19 determination that the member has sustained a one-hundred-percent
20 disability and shall make the benefit award in accordance with that
21 standard. As used in this paragraph, "violent act" means a violent
22 attack upon the member by means of a dangerous weapon including, but
23 not limited to, a firearm, knife, automobile, explosive device or
24 other dangerous weapon.

1 E. If the participating municipality denies a disabled member
2 the option of continuing employment instead of retiring on a
3 disability pension, then the burden of proof rests with the
4 participating municipality to show cause to the State Board that
5 there is no position as a sworn officer within the police department
6 of that municipality which the member can fill.

7 F. Upon determination by the State Board that a member is
8 physically or mentally disabled and that the disability is permanent
9 and total and that the member has completed ten (10) years of
10 credited service and is disabled by any cause, the member shall
11 receive a disability benefit on the basis of the member's accrued
12 retirement benefit. A permanent and total impairment equates to one
13 hundred percent (100%) of accrued retirement benefit.

14 G. Upon determination by the State Board that a member is
15 physically or mentally disabled and that the disability is permanent
16 and partial and that the member has completed ten (10) years of
17 credited service as a member and is disabled from any cause, the
18 member shall be awarded a disability benefit on the basis of the
19 member's years of credited service as a member and the percentage of
20 impairment to the whole person, as defined by the standards of the
21 impairment as outlined in the "American Medical Association's Guides
22 to the Evaluation of Permanent Impairment", on the basis of the
23 following table:

24 1% to 49% impaired = 50% of accrued retirement benefit

1 50% to 74% impaired = 75% of accrued retirement benefit

2 75% to 99% impaired = 100% of accrued retirement benefit.

3 H. Before making a finding as to the disability of a member,
4 the State Board shall require that, if the member is able, the
5 member shall make a certificate as to the disability which shall be
6 subscribed and sworn to by the member. It shall also require a
7 certificate as to such disability to be made by some physician
8 licensed to practice in this state as selected by the State Board.
9 The State Board may require other evidence of disability before
10 making the disability benefit. The salary of any such member shall
11 continue while the member is so necessarily confined to such
12 hospital bed or home and necessarily requires medical care or
13 professional nursing on account of such sickness or disability for a
14 period of not more than six (6) months, after which the period the
15 other provisions of this article may apply. The State Board, in
16 making disability benefits, shall act upon the written request of
17 the member or without such request, if it deem it for the good of
18 the police department. Any disability benefits shall cease when the
19 member receiving same shall be restored to active service at a
20 salary not less than three-fourths (3/4) of the member's average
21 monthly salary.

22 I. Any member of a police department of any municipality who,
23 in the line of duty, has been exposed to hazardous substances
24 including but not limited to chemicals used in the manufacture of a

1 controlled dangerous substance or chemicals resulting from the
2 manufacture of a controlled dangerous substance, or to blood-borne
3 pathogens and who is later disabled from a condition that was the
4 result of such exposure and that was not revealed by the physical
5 examination passed by the member upon entry into the System shall be
6 presumed to have incurred such disability while performing the
7 officer's duties unless the contrary is shown by competent evidence.
8 The presumption created by this subsection shall have no application
9 whatever to any workers' compensation claim or claims, and it shall
10 not be applied or be relied upon in any way in workers' compensation
11 proceedings. All compensation or benefits due to any member
12 pursuant to the presumption created by this subsection shall be paid
13 solely by the system.

14 J. If the requirements of Section 50-114.4 of this title are
15 satisfied, a member who, by reason of disability, is separated from
16 service as a public safety officer with the member's participating
17 municipality, may elect to have payment made directly to the
18 provider for qualified health insurance premiums by deduction from
19 his or her monthly disability benefit, after December 31, 2006, in
20 accordance with Section 402(1) of the Internal Revenue Code of 1986,
21 as amended. For distributions made after December 29, 2022, the
22 election provided for under Section 402(1) of the Internal Revenue
23 Code of 1986, as amended, may be made whether payment of the
24 premiums is made directly to the provider of the accident or health

1 plan or qualified long-term care insurance contract by deduction
2 from a distribution from the System or is made to the member.

3 SECTION 8. AMENDATORY 47 O.S. 2021, Section 2-300, is
4 amended to read as follows:

5 Section 2-300. As used in Section 2-300 et seq. of this title:

6 1. "System" means the Oklahoma Law Enforcement Retirement
7 System;

8 2. "Act" means Section 2-300 et seq. of this title;

9 3. "Board" means the Oklahoma Law Enforcement Retirement Board
10 of the System;

11 4. "Executive Director" means the managing officer of the
12 System employed by the Board;

13 5. "Fund" means the Oklahoma Law Enforcement Retirement Fund;

14 6. a. "Member" means:

15 (1) all commissioned law enforcement officers of the
16 Oklahoma Highway Patrol Division of the
17 Department of Public Safety who have obtained
18 certification from the Council on Law Enforcement
19 Education and Training, and all cadets of a
20 Patrol Academy of the Department of Public
21 Safety,

22 (2) law enforcement officers and criminalists of the
23 Oklahoma State Bureau of Investigation,

24

- 1 (3) law enforcement officers of the Oklahoma State
2 Bureau of Narcotics and Dangerous Drugs Control
3 designated to perform duties in the investigation
4 and prevention of crime and the enforcement of
5 the criminal laws of this state,
- 6 (4) law enforcement officers of the ~~Oklahoma~~
7 Alcoholic Beverage Laws Enforcement Commission
8 designated to perform duties in the investigation
9 and prevention of crime and the enforcement of
10 the criminal laws of this state,
- 11 (5) employees of the Communications Section of the
12 Oklahoma Highway Patrol Division, radio
13 technicians and tower technicians of the
14 Department of Public Safety, who are employed in
15 any such capacity as of June 30, 2008, and who
16 remain employed on or after July 1, 2008, until a
17 termination of service, or until a termination of
18 service with an election of a vested benefit from
19 the System, or until retirement. Effective July
20 1, 2008, a person employed for the first time as
21 an employee of the Department of Public Safety in
22 the Communications Division as an information
23 systems telecommunication technician of the
24

1 Department of Public Safety shall not be a member
2 of the System,

3 (6) park rangers of the Oklahoma Tourism and
4 Recreation Department and any park manager or
5 park supervisor of the Oklahoma Tourism and
6 Recreation Department, who was employed in such a
7 position prior to July 1, 1985, and who elects on
8 or before September 1, 1996, to participate in
9 the System, and

10 (7) inspectors of the State Board of Pharmacy.

11 b. Effective July 1, 1987, a member does not include a
12 "leased employee" as defined under Section 414(n)(2)
13 of the Internal Revenue Code of 1986, as amended.
14 Effective July 1, 1999, any individual who agrees with
15 the participating employer that the individual's
16 services are to be performed as a leased employee or
17 an independent contractor shall not be a member
18 regardless of any classification as a common-law
19 employee by the Internal Revenue Service or any other
20 governmental agency, or any court of competent
21 jurisdiction.

22 c. All persons who shall be offered a position of a
23 commissioned law enforcement officer as an employee of
24 one of the agencies described in subparagraph a of

1 this paragraph shall participate in the System upon
2 the person meeting the requisite post-offer-pre-
3 employment physical examination standards which shall
4 be subject to the following requirements:

5 (1) all such persons shall be of good moral
6 character, free from deformities, mental or
7 physical conditions, or disease and alcohol or
8 drug addiction which would prohibit the person
9 from performing the duties of a law enforcement
10 officer,

11 (2) the physical-medical examination shall pertain to
12 age, sight, hearing, agility and other conditions
13 the requirements of which shall be established by
14 the Board,

15 (3) the person shall be required to meet the
16 conditions of this subsection prior to the
17 beginning of actual employment but after an offer
18 of employment has been tendered by a
19 participating employer,

20 (4) the Board shall have authority to deny or revoke
21 membership of any person submitting false
22 information in such person's membership
23 application, and
24

1 (5) the Board shall have final authority in
2 determining eligibility for membership in the
3 System, pursuant to the provisions of this
4 subsection;

5 7. "Normal retirement date" means the date at which the member
6 is eligible to receive the unreduced payments of the member's
7 accrued retirement benefit. Such date shall be the first day of the
8 month coinciding with or following the date the member:

9 a. completes twenty (20) years of vesting service, or

10 b. attains sixty-two (62) years of age with ten (10)
11 years of vesting service, or

12 c. attains sixty-two (62) years of age, if:

13 (1) the member has been transferred to this System
14 from the Oklahoma Public Employees Retirement
15 System on or after July 1, 1981, and

16 (2) the member would have been vested had the member
17 continued to be a member of the Oklahoma Public
18 Employees Retirement System.

19 With respect to distributions under the System made for calendar
20 years beginning on or after January 1, 2005, the System shall apply
21 the minimum distribution incidental benefit requirements, incidental
22 benefit requirements, and minimum distribution requirements of
23 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
24 in accordance with the final regulations under Section 401(a)(9) of

1 the Internal Revenue Code of 1986, as amended, including Treasury
2 Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided,
3 that for individuals who attain seventy and one-half (70 1/2) years
4 of age after December 31, 2019, but before January 1, 2023, such
5 ~~distributions shall be made when the individual attains seventy-two~~
6 ~~(72) years of age, pursuant to the provisions of the SECURE Act of~~
7 ~~2019, Pub. L. 116-94, take into account that "age 70 1/2" was~~
8 stricken and "age 72" was inserted in Sections 401(a)(9)(B)(iv)(I),
9 401(a)(9)(C)(i)(I) and 401(a)(9)(C)(ii)(I) of the Internal Revenue
10 Code of 1986, as amended, and, provided further, that for
11 individuals who attain seventy-two (72) years of age after December
12 31, 2022, such distributions shall take into account that "age 72"
13 was stricken and "the applicable age", as defined in Section
14 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended,
15 was inserted in Section 401(a)(9)(B)(iv)(I), Section
16 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal
17 Revenue Code of 1986, as amended, in all cases notwithstanding any
18 provision of the System to the contrary. With respect to
19 distributions under the System made for calendar years beginning on
20 or after January 1, 2001, through December 31, 2004, the System
21 shall apply the minimum distribution requirements and incidental
22 benefit requirements of Section 401(a)(9) of the Internal Revenue
23 Code of 1986, as amended, in accordance with the regulations under
24 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,

1 which were proposed in January 2001, notwithstanding any provision
2 of the System to the contrary.

3 Effective July 1, 1989, notwithstanding any other provision
4 contained herein to the contrary, in no event shall commencement of
5 distribution of the accrued retirement benefit of a member be
6 delayed beyond April 1 of the calendar year following the later of:
7 (1) the calendar year in which the member reaches seventy and one-
8 half (70 1/2) years of age for a member who attains this age before
9 January 1, 2020, or, for a member who attains this age on or after
10 January 1, 2020, but before January 1, 2023, the calendar year in
11 which the member reaches seventy-two (72) years of age, or effective
12 for distributions required to be made after December 31, 2022, the
13 calendar year in which the member reaches seventy-three (73) years
14 of age for an individual who attains age seventy-two (72) after
15 December 31, 2022, or "the applicable age", as defined in Section
16 401(a) (9) (C) (v) of the Internal Revenue Code of 1986, as amended, if
17 later; or (2) the actual retirement date of the member. A member
18 electing to defer the commencement of retirement benefits pursuant
19 to Section 2-308.1 of this title may not defer the benefit
20 commencement beyond the age of sixty-five (65).

21 Effective September 8, 2009, notwithstanding anything to the
22 contrary of the System, the System, which as a governmental plan
23 (within the meaning of Section 414(d) of the Internal Revenue Code
24 of 1986, as amended), is treated as having complied with Section

1 401(a) (9) of the Internal Revenue Code of 1986, as amended, for all
2 years to which Section 401(a) (9) of the Internal Revenue Code of
3 1986, as amended, applies to the System if the System complies with
4 a reasonable and good faith interpretation of Section 401(a) (9) of
5 the Internal Revenue Code of 1986, as amended.

6 A member who was required to join the System effective July 1,
7 1980, because of the transfer of the employing agency from the
8 Oklahoma Public Employees Retirement System to the System, and was
9 not a member of the Oklahoma Public Employees Retirement System on
10 the date of such transfer shall be allowed to receive credit for
11 prior law enforcement service rendered to this state, if the member
12 is not receiving or eligible to receive retirement credit or
13 benefits for such service in any other public retirement system,
14 upon payment to the System of the employee contribution the member
15 would have been subject to had the member been a member of the
16 System at the time, plus five percent (5%) interest. Service credit
17 received pursuant to this paragraph shall be used in determining the
18 member's retirement benefit, and shall be used in determining years
19 of service for retirement or vesting purposes;

20 8. "Actual paid base salary" means the salary received by a
21 member, excluding payment for any accumulated leave or uniform
22 allowance. Salary shall include any amount of nonelective salary
23 reduction under Section 414(h) of the Internal Revenue Code of 1986;

24

1 9. "Final average salary" means the average of the highest
2 thirty (30) consecutive complete months of actual paid gross salary.
3 Gross salary shall include any amount of elective salary reduction
4 under Section 457 of the Internal Revenue Code of 1986, as amended,
5 and any amount of nonelective salary reduction under Section 414(h)
6 of the Internal Revenue Code of 1986, as amended. Effective July 1,
7 1992, gross salary shall include any amount of elective salary
8 reduction under Section 125 of the Internal Revenue Code of 1986, as
9 amended. Effective July 1, 1998, gross salary shall include any
10 amount of elective salary reduction not includable in the gross
11 income of the member under Section 132(f)(4) of the Internal Revenue
12 Code of 1986, as amended. Effective July 1, 1998, for purposes of
13 determining a member's compensation, any contribution by the member
14 to reduce his or her regular cash remuneration under Section
15 132(f)(4) of the Internal Revenue Code of 1986, as amended, shall be
16 treated as if the member did not make such an election. Only salary
17 on which required contributions have been made may be used in
18 computing the final average salary. Gross salary shall not include
19 severance pay.

20 In addition to other applicable limitations, and notwithstanding
21 any other provision to the contrary, for plan years beginning on or
22 after July 1, 2002, the annual gross salary of each "Noneligible
23 Member" taken into account under the System shall not exceed the
24 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")

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

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

19 Effective January 1, 2008, gross salary for a plan year shall
20 also include gross salary, as described above, for services, but
21 paid by the later of two and one-half (2 1/2) months after a
22 member's severance from employment or the end of the calendar year
23 that includes the date the member terminated employment, if it is a
24 payment that, absent a severance from employment, would have been

1 paid to the member while the member continued in employment with the
2 employer.

3 Effective January 1, 2008, any payments not described above
4 shall not be considered gross salary if paid after severance from
5 employment, even if they are paid by the later of two and one-half
6 (2 1/2) months after the date of severance from employment or the
7 end of the calendar year that includes the date of severance from
8 employment, except payments to an individual who does not currently
9 perform services for the employer by reason of qualified military
10 service within the meaning of Section 414(u)(5) of the Internal
11 Revenue Code of 1986, as amended, to the extent these payments do
12 not exceed the amounts the individual would have received if the
13 individual had continued to perform services for the employer rather
14 than entering qualified military service.

15 Effective January 1, 2008, back pay, within the meaning of
16 Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be
17 treated as gross salary for the limitation year to which the back
18 pay relates to the extent the back pay represents wages and
19 compensation that would otherwise be included in this definition.

20 Effective for years beginning after December 31, 2008, gross
21 salary shall also include differential wage payments under Section
22 414(u)(12) of the Internal Revenue Code of 1986, as amended;

23 10. "Credited service" means the period of service used to
24 determine the amount of benefits payable to a member. Credited

1 service shall consist of the period during which the member
2 participated in the System or the predecessor Plan as an active
3 employee in an eligible membership classification, plus any service
4 prior to the establishment of the predecessor Plan which was
5 credited under the predecessor Plan and for law enforcement officers
6 and criminalists of the Oklahoma State Bureau of Investigation and
7 the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control
8 who became members of the System on July 1, 1980, any service
9 credited under the Oklahoma Public Employees Retirement System as of
10 June 30, 1980, and for members of the Communications and Lake Patrol
11 Divisions of the Oklahoma Department of Public Safety, who became
12 members of the System on July 1, 1981, any service credited under
13 the predecessor Plan or the Oklahoma Public Employees Retirement
14 System as of June 30, 1981, and for law enforcement officers of the
15 Alcoholic Beverage Laws Enforcement Commission who became members of
16 the System on July 1, 1982, any service credited under the Oklahoma
17 Public Employees Retirement System as of June 30, 1982, and for park
18 rangers of the Oklahoma Tourism and Recreation Department who became
19 members of the System on July 1, 1985, any service credited under
20 the Oklahoma Public Employees Retirement System as of June 30, 1985,
21 and for inspectors of the ~~Oklahoma~~ State Board of Pharmacy who
22 became members of the System on July 1, 1986, any service credited
23 under the Oklahoma Public Employees Retirement System as of June 30,
24 1986, for law enforcement officers of the Oklahoma Capitol Patrol

1 Division of the Department of Public Safety who became members of
2 the System effective July 1, 1993, any service credited under the
3 Oklahoma Public Employees Retirement System as of June 30, 1993, and
4 for all commissioned officers in the Gunsmith/Ammunition Reloader
5 Division of the Department of Public Safety who became members of
6 the System effective July 1, 1994, any service credited under the
7 Oklahoma Public Employees Retirement System as of June 30, 1994, and
8 for the park managers or park supervisors of the Oklahoma Tourism
9 and Recreation Department who were employed in such a position prior
10 to July 1, 1985, and who elect to become members of the System
11 effective September 1, 1996, any service transferred pursuant to
12 subsection C of Section 2-309.6 of this title and any service
13 purchased pursuant to subsection B of Section 2-307.2 of this title.
14 Effective August 5, 1993, an authorized leave of absence shall
15 include a period of absence pursuant to the Family and Medical Leave
16 Act of 1993;

17 11. "Disability" means a physical or mental condition which, in
18 the judgment of the Board, totally and presumably permanently
19 prevents the member from engaging in the usual and customary duties
20 of the occupation of the member and thereafter prevents the member
21 from performing the duties of any occupation or service for which
22 the member is qualified by reason of training, education or
23 experience. A person is not under a disability when capable of

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1 performing a service to the employer, regardless of occupation,
2 providing the salary of the employee is not diminished thereby;

3 12. "Limitation year" means the year used in applying the
4 limitations of Section 415 of the Internal Revenue Code of 1986,
5 which year shall be the calendar year;

6 13. "Line of duty" means any action which a member whose
7 primary function is crime control or reduction or enforcement of the
8 criminal law is obligated or authorized by rule, regulations,
9 condition of employment or service, or law to perform including
10 those social, ceremonial or athletic functions to which the member
11 is assigned, or for which the member is compensated, by the agency
12 the member serves;

13 14. "Personal injury" or "injury" means any traumatic injury as
14 well as diseases which are caused by or result from such an injury,
15 but not occupational diseases;

16 15. "Catastrophic nature" means consequences of an injury that
17 permanently prevent an individual from performing any gainful work;

18 16. "Traumatic injury" means a wound or a condition of the body
19 caused by external force including injuries inflicted by bullets,
20 explosives, sharp instruments, blunt objects or other physical
21 blows, chemicals, electricity, climatic conditions, infectious
22 diseases, radiation and bacteria, but excluding stress and strain;
23 and

24

1 17. "Beneficiary" means the individual designated by the member
2 on a beneficiary designation form supplied by the Oklahoma Law
3 Enforcement Retirement System, or, if there is no designated
4 beneficiary or if the designated beneficiary predeceases the member,
5 the estate of the member. If the member's spouse is not designated
6 as the sole primary beneficiary, the member's spouse must sign a
7 consent.

8 SECTION 9. AMENDATORY 47 O.S. 2021, Section 2-305, as
9 amended by Section 2, Chapter 255, O.S.L. 2022 (47 O.S. Supp. 2022,
10 Section 2-305), is amended to read as follows:

11 Section 2-305. A. Except as otherwise provided in this title,
12 at any time after attaining normal retirement date, any member of
13 the Oklahoma Law Enforcement Retirement System upon application for
14 unreduced retirement benefits made and approved, may retire, and,
15 during the remainder of the member's lifetime, receive annual
16 retirement pay, payable in equal monthly payments, equal to two and
17 one-half percent (2 1/2%) of the final average salary times years of
18 credited service. If such retired member is reemployed by a state
19 agency in a position which is not covered by the System, such
20 retired member shall continue to receive in-service distributions
21 from the System. Prior to September 19, 2002, if such retired
22 member was reemployed by a state agency in a position which is
23 covered by the System, such member shall continue to receive in-
24 service distributions from the System and shall not accrue any

1 further credited service. If such a member is reemployed by a state
2 agency in a position which is covered by the System on or after
3 September 19, 2002, such member's monthly retirement payments shall
4 be suspended until such member retires and is not reemployed by a
5 state agency in a position which is covered by the System.

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

14 C. Except as otherwise provided by this subsection, members of
15 the System whose salary is set by statute who have retired after
16 completion of the mandatory twenty (20) years of service, and those
17 members with statutory salaries who retire after reaching the
18 mandatory twenty-year retirement shall receive an annual retirement
19 pay, payable in equal monthly installments, based upon the greater
20 of either:

21 1. The top base salary currently paid to the highest
22 nonsupervisory position in the participating agency at the time each
23 such monthly retirement payment is made, limited to the annual
24 salary limit of the Economic Growth and Tax Relief Reconciliation

1 Act of 2001, as described in paragraph 9 of Section 2-300 of this
2 title, multiplied by two and one-half percent (2 1/2%), multiplied
3 by the number of years of credited service and fraction thereof for
4 the following positions:

- 5 a. Oklahoma Highway Patrolman,
- 6 b. Communications Dispatcher,
- 7 c. Capitol Patrolman,
- 8 d. Lake Patrolman, and
- 9 e. Oklahoma State Bureau of Investigation - Special Agent
10 or Criminalist; or

11 2. The member's final average salary as set forth in paragraph
12 9 of Section 2-300 of this title, multiplied by two and one-half
13 percent (2 1/2%), and multiplied by the number of years of credited
14 service and fraction thereof.

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

18 The provisions of paragraph 1 of this subsection shall not be
19 applicable to any member whose first participating service with the
20 System occurs on or after November 1, 2012, except for those members
21 who died in the performance of their duties pursuant to Section 2-
22 306 of this title.

23 D. Other members of the System whose retirement benefit is not
24 otherwise prescribed by this section who have retired after

1 completion of the mandatory twenty (20) years of service, and those
2 members who retire after reaching the mandatory twenty-year
3 retirement shall receive an annual retirement pay, payable in equal
4 monthly payments, based upon the greater of either:

5 1. The actual average salary currently paid to the highest
6 nonsupervisory position in the participating agency at the time each
7 such monthly payment is made, limited to the annual salary limit of
8 the Economic Growth and Tax Relief Reconciliation Act of 2001, as
9 described in paragraph 9 of Section 2-300 of this title, multiplied
10 by two and one-half percent (2 1/2%), multiplied by the number of
11 years of credited service and fraction thereof for the following
12 positions:

- 13 a. Alcoholic Beverage Laws Enforcement Commission - ABLE
14 Commission Agent III,
- 15 b. Oklahoma State Bureau of Narcotics and Dangerous Drugs
16 Control - Narcotics Agent III,
- 17 c. Oklahoma Tourism and Recreation Department - Park
18 Ranger II,
- 19 d. State Board of Pharmacy - Pharmacy Inspector,
- 20 e. University of Oklahoma - Police Officer, and
- 21 f. Oklahoma State University - Police Officer; or

22 2. The other member's final average salary as set forth in
23 paragraph 9 of Section 2-300 of this title, multiplied by two and
24

1 one-half percent (2 1/2%), multiplied by the number of years of
2 credited service and fraction thereof.

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

10 The provisions of paragraph 1 of this subsection shall not be
11 applicable to any member whose first participating service with the
12 System occurs on or after May 24, 2013, except for those members who
13 died in the performance of their duties pursuant to Section 2-306 of
14 this title.

15 E. A member who meets the definition of disability as defined
16 in paragraph 11 of Section 2-300 of this title by direct reason of
17 the performance of the member's duties as an officer shall receive a
18 monthly benefit equal to:

19 1. Two and one-half percent (2 1/2%);

20 2. Multiplied by:

21 a. twenty (20) years of credited service, if the member
22 had performed less than twenty (20) years of credited
23 service, notwithstanding the actual number of years of
24

1 credited service performed by the member prior to the
2 date of disability, or

- 3 b. the actual number of years of credited service and
4 fraction thereof performed by the member prior to the
5 date of disability, if the member had performed twenty
6 (20) or more years of credited service;

7 3. Multiplied by the greater of subparagraph a of this
8 paragraph and division 1 of subparagraph b of this paragraph or
9 division 2 of subparagraph b of this paragraph, as applicable:

- 10 a. the final average salary of the member, as set forth
11 in paragraph 9 of Section 2-300 of this title, and
- 12 b. (1) the top base salary currently paid to the highest
13 nonsupervisory position in the participating
14 agency of the member at the time each monthly
15 payment is made, limited to the annual salary
16 limit of the Economic Growth and Tax Relief
17 Reconciliation Act of 2001 described in paragraph
18 9 of Section 2-300 of this title, for the
19 following positions:
- 20 (a) Oklahoma Highway Patrolman,
 - 21 (b) Communications Dispatcher,
 - 22 (c) Capitol Patrolman,
 - 23 (d) Lake Patrolman, and
- 24

1 (e) Oklahoma State Bureau of Investigation -
2 Special Agent or Criminalist,

3 Provided, the participating employer must certify to the System
4 in writing the top base salary currently paid to the highest
5 nonsupervisory position for division (1) of subparagraph b of this
6 paragraph, or

7 (2) the actual average salary currently paid to the
8 highest nonsupervisory position in the
9 participating agency of the member at the time
10 each monthly payment is made, limited to the
11 annual salary limit of the Economic Growth and
12 Tax Relief Reconciliation Act of 2001, described
13 in paragraph 9 of Section 2-300 of this title,
14 for the following positions:

15 (a) Alcoholic Beverage Laws Enforcement (ABLE)
16 Commission - ABLE Commission Agent III,

17 (b) Oklahoma State Bureau of Narcotics and
18 Dangerous Drugs Control - Narcotics Agent
19 III,

20 (c) Oklahoma Tourism and Recreation Department -
21 Park Ranger II,

22 (d) State Board of Pharmacy - Pharmacy
23 Inspector,

24 (e) University of Oklahoma - Police Officer, and

1 (f) Oklahoma State University - Police Officer,

2 Provided, the participating employer must certify to the System
3 in writing the actual average gross salary currently paid to the
4 highest nonsupervisory position for division (2) of subparagraph b
5 of this paragraph;

6 4. No member of the System receiving benefits prescribed by
7 this subsection who retired prior to July 1, 2002, shall receive a
8 benefit of less than the amount the member was receiving as of June
9 30, 2002;

10 5. The Board of Trustees shall promulgate rules as necessary to
11 implement the provisions of this subsection; and

12 6. If such member participates in the Oklahoma Law Enforcement
13 Deferred Option Plan pursuant to Section 2-305.2 of this title, then
14 such member's disability pension provided pursuant to this
15 subsection shall be reduced to account for such member's
16 participation in the Oklahoma Law Enforcement Deferred Option Plan.

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

22 1. Two and one-half percent (2 1/2%);

23 2. Multiplied by:
24

1 a. twenty (20) years of service, regardless of the actual
2 number of years of credited service performed by the
3 member prior to the date of disability, if the member
4 had performed less than twenty (20) years of service,
5 or

6 b. the actual number of years of service performed by the
7 member if the member had performed twenty (20) or more
8 years of service;

9 3. Multiplied by a final average salary equal to:

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

1 member's actual final average salary or the highest
2 median salary amount for a member whose salary was
3 prescribed by a specific salary schedule upon the date
4 of the member's disability, whichever final average
5 salary amount would be greater, or

- 6 b. the actual final average salary of the member if the
7 member had performed twenty (20) or more years of
8 service prior to disability.

9 If such member participates in the Oklahoma Law Enforcement
10 Deferred Option Plan pursuant to Section 2-305.2 of this title, such
11 member's disability pension provided pursuant to this subsection
12 shall be adjusted as provided in Section 2-305.2 of this title to
13 account for such member's participation in the Oklahoma Law
14 Enforcement Deferred Option Plan.

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

23 H. Payment of a disability pension shall commence as of the
24 first day of the month coinciding or next following the date of

1 retirement and shall continue as long as the member meets the
2 definition of total and permanent disability provided in this
3 section.

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

1 J. The disability benefit under this section shall be for the
2 lifetime of the member unless such member is found no longer
3 disabled pursuant to subsection I of this section. Such member
4 shall not be entitled to the retirement benefit pursuant to
5 subsection A of this section unless such member returns to active
6 duty and is eligible for a retirement benefit as provided in
7 subsection A of this section.

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

1 provisions of this subsection shall apply only to members whose
2 effective date of membership is on or after July 1, 2000.

3 L. In addition to the pension provided for under subsection F
4 of this section, if the member has one or more children under the
5 age of eighteen (18) years or under the age of twenty-two (22) years
6 if the child is enrolled ~~full-time~~ full-time in and is regularly
7 attending a public or private school or any institution of higher
8 education, Four Hundred Dollars (\$400.00) a month shall be paid from
9 the Fund for the support of each surviving child to the member or
10 person having the care and custody of such children until each child
11 reaches the age of eighteen (18) years or reaches the age of twenty-
12 two (22) years if the child is enrolled ~~full-time~~ full-time in and
13 is regularly attending a public or private school or any institution
14 of higher education.

15 M. Notwithstanding any other provisions in Section 2-300
16 through 2-315 of this title, in order to be eligible to receive
17 disability benefits, a member who meets the definition of disability
18 as defined in paragraph 11 of Section 2-300 of this title shall file
19 the member's completed application for disability benefits with the
20 System before such member's date of termination from service and
21 provide such additional information that the System's rules require
22 within six (6) months of the System's receipt of such application.
23 If the member's completed application for disability benefits is not
24 filed with the System before the member's date of termination from

1 service or such additional information as is required under the
2 System's rules is not provided within six (6) months of the System's
3 receipt of such application, such member shall be eligible only for
4 such other benefits as are available to members of the System and
5 shall not be eligible to receive any disability benefits. For good
6 cause shown, the Board of Trustees may waive the requirement that
7 the disability application be filed before the member's date of
8 termination from service. In no event shall a member be eligible to
9 receive any disability benefit if the member's completed application
10 is filed more than six (6) months after the member's date of
11 termination from service.

12 N. If the requirements of Section 2-305.1C of this title are
13 satisfied, a member who, by reason of disability or attainment of
14 normal retirement date or age, is separated from service as a public
15 safety officer with the member's participating employer may elect to
16 have payment made directly to the provider for qualified health
17 insurance premiums by deduction from his or her monthly disability
18 benefit or monthly retirement payment, after December 31, 2006, in
19 accordance with Section ~~402(1)~~ 402(1) of the Internal Revenue Code
20 of 1986, as amended. For distributions made after December 29,
21 2022, the election provided for under Section 402(1) of the Internal
22 Revenue Code of 1986, as amended, may be made whether payment of the
23 premiums is made directly to the provider of the accident or health

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1 plan or qualified long-term care insurance contract by deduction
2 from a distribution from the System or is made to the member.

3 SECTION 10. AMENDATORY 47 O.S. 2021, Section 2-305.1C,
4 is amended to read as follows:

5 Section 2-305.1C. A. A member who is an eligible retired
6 public safety officer and who wishes to have direct payments made
7 toward the member's qualified health insurance premiums from the
8 member's monthly disability benefit or monthly retirement payment
9 must make a written election in accordance with Section ~~402(1)~~
10 402(1) of the Internal Revenue Code of 1986, as amended, on the form
11 provided by the Oklahoma Law Enforcement Retirement System, as
12 follows:

13 1. The election must be made after the member separates from
14 service as a public safety officer with the member's participating
15 employer;

16 2. The election shall only apply to distributions from the
17 System after December 31, 2006, and to amounts not yet distributed
18 to the eligible retired public safety officer;

19 3. ~~Direct payments~~ Payments from the System for an eligible
20 retired public safety officer's qualified health insurance premiums
21 made directly to the provider of such coverage can only be made from
22 the member's monthly disability benefit or monthly retirement
23 payment from the System and cannot be made from the Oklahoma Law
24 Enforcement Deferred Option Plan; and

1 4. The aggregate amount of the exclusion from an eligible
2 retired public safety officer's gross income is Three Thousand
3 Dollars (\$3,000.00) per calendar year.

4 B. As used in this section:

5 1. "Eligible retired public safety officer" is a member who, by
6 reason of disability or attainment of normal retirement date or age,
7 is separated from service as a public safety officer with the
8 member's participating employer;

9 2. "Public safety officer" means a member serving a public
10 agency in an official capacity, with or without compensation, as a
11 law enforcement officer, firefighter, chaplain, or a member of a
12 rescue squad or ambulance crew; and

13 3. "Qualified health insurance premiums" means premiums for
14 coverage for the eligible retired public safety officer, the
15 eligible retired public safety officer's spouse, and dependents, as
16 defined in Section 152 of the Internal Revenue Code of 1986, as
17 amended, by an accident or health plan or a qualified long-term care
18 insurance contract, as defined in Section 7702B(b) of the Internal
19 Revenue Code of 1986, as amended. The health plan does not have to
20 be sponsored by the eligible retired public safety officer's former
21 participating employer.

22 C. The Board ~~shall~~ may promulgate such rules or procedures as
23 are necessary to implement the provisions of this section or to
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1 facilitate a member's election under Section 402(1) of the Internal
2 Revenue Code of 1986, as amended.

3 SECTION 11. It being immediately necessary for the preservation
4 of the public peace, health or safety, an emergency is hereby
5 declared to exist, by reason whereof this act shall take effect and
6 be in full force from and after its passage and approval.

7
8 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
9 PENSIONS, dated 04/03/2023 - DO PASS.

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