

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO. 941

By: Pemberton

AS INTRODUCED

An Act relating to public retirement systems; amending Section 3, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2018, Section 3501), which relates to distributions to certain retired members; providing for a one-time stipend to retired public retirement system members; specifying benefit calculation; and providing for a one-time stipend for certain retired volunteer firefighters.

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

SECTION 1. AMENDATORY Section 3, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2018, Section 3501), is amended to read as follows:

Section 3501. A. As used in this section, "public retirement system" means:

1. The Oklahoma Firefighters Pension and Retirement System;
2. The Oklahoma Police Pension and Retirement System;
3. The Uniform Retirement System for Justices and Judges;
4. The Oklahoma Law Enforcement Retirement System;
5. The Teachers' Retirement System of Oklahoma; and
6. The Oklahoma Public Employees Retirement System.

1 B. As used in this section, "funded ratio" means the figure
2 derived by dividing the actuarial value of retirement system assets
3 by the actuarial accrued liability of the retirement system. For
4 purposes of this section, the rate of return on public retirement
5 system assets for the computation of the funded ratio shall not
6 exceed seven and one-half percent (7.5%) but shall be computed using
7 any assumed rate of return utilized by the applicable retirement
8 system if such rate of return does not exceed seven and one-half
9 percent (7.5%). The provisions of this subsection shall only be
10 applicable to the computation of the funded ratio for purposes of
11 implementing the provisions of this section and shall not be used
12 for any other computation or any other purpose with respect to the
13 actuarial assumptions used by any of the public retirement systems.

14 C. Effective October 1, 2018, a public retirement system shall
15 make a one-time distribution to its retired members if the member
16 has been retired for a period of five (5) or more years as of
17 October 1, 2018, in the amount of:

18 1. The lesser of two percent (2%) of the gross annual
19 retirement benefit of the member or One Thousand Dollars (\$1,000.00)
20 if the funded ratio of the public retirement system would be not
21 less than sixty percent (60%), but not greater than eighty percent
22 (80%) after the distribution is made;

23 2. The lesser of two percent (2%) of the gross annual
24 retirement benefit of the member or One Thousand Two Hundred Dollars

1 (\$1,200.00) if the funded ratio of the public retirement system
2 would be greater than eighty percent (80%), but not greater than one
3 hundred percent (100%) after the distribution is made; or

4 3. The lesser of two percent (2%) of the gross annual
5 retirement benefit of the member or One Thousand Four Hundred
6 Dollars (\$1,400.00) if the funded ratio of the public retirement
7 system would be greater than one hundred percent (100%) after the
8 distribution is made.

9 D. The Oklahoma Firefighters Pension and Retirement System
10 shall make a distribution to persons who retired from the Oklahoma
11 Firefighters Pension and Retirement System as a volunteer
12 firefighter, if the member has been retired for a period of five (5)
13 or more years as of October 1, 2018, in the amount of the greater of
14 two percent (2%) of the gross annual retirement benefit of the
15 volunteer firefighter or One Hundred Dollars (\$100.00). The
16 provisions of this subsection shall only be applicable to persons
17 who retired from the Oklahoma Firefighters Pension and Retirement
18 System as volunteer firefighters and not as paid firefighters.

19 E. Increases in retirement benefits may only be provided
20 pursuant to a specific authorization by law.

21 F. Effective October 1, 2018, increases in retirement benefits
22 shall not be authorized to occur more frequently than once each two
23 (2) years pursuant to the specific authorization required by
24 subsection E of this section. Increases in retirement benefits
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1 provided to members of a public retirement system who have been a
2 member of that system for at least twenty (20) years shall not be
3 less than Three Hundred Fifty Dollars (\$350.00), except as set forth
4 in subsection D of this section.

5 G. Effective October 1, 2019, a public retirement system shall
6 make a one-time distribution to its retired members if the member
7 has been retired for a period of five (5) or more years as of
8 October 1, 2019, in the amount of:

9 1. The lesser of two percent (2%) of the gross annual
10 retirement benefit of the member or One Thousand Dollars (\$1,000.00)
11 if the funded ratio of the public retirement system would be not
12 less than sixty percent (60%), but not greater than eighty percent
13 (80%) after the distribution is made;

14 2. The lesser of two percent (2%) of the gross annual
15 retirement benefit of the member or One Thousand Two Hundred Dollars
16 (\$1,200.00) if the funded ratio of the public retirement system
17 would be greater than eighty percent (80%), but not greater than one
18 hundred percent (100%) after the distribution is made; or

19 3. The lesser of two percent (2%) of the gross annual
20 retirement benefit of the member or One Thousand Four Hundred
21 Dollars (\$1,400.00) if the funded ratio of the public retirement
22 system would be greater than one hundred percent (100%) after the
23 distribution is made.

1 H. The Oklahoma Firefighters Pension and Retirement System
2 shall make a distribution to persons who retired from the Oklahoma
3 Firefighters Pension and Retirement System as a volunteer
4 firefighter, if the member has been retired for a period of five (5)
5 or more years as of October 1, 2019, in the amount of the greater of
6 two percent (2%) of the gross annual retirement benefit of the
7 volunteer firefighter or One Hundred Dollars (\$100.00). The
8 provisions of this subsection shall only be applicable to persons
9 who retired from the Oklahoma Firefighters Pension and Retirement
10 System as volunteer firefighters and not as paid firefighters.

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