

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 1188

By: Taylor, Jett, Coleman,  
Kidd, and Bergstrom of the  
3 Senate

4 and

5 Newton and Roberts (Dustin)  
6 of the House

7  
8 An Act relating to state pensions; amending 11 O.S.  
9 2021, Section 50-112, which relates to eligibility  
10 for membership in system; allowing municipalities  
11 under certain population to hire certain retired  
12 police officers without reentering system; allowing  
for retired persons to be hired as police officers  
under certain circumstances without entrance into  
system; providing for codification; and providing an  
effective date.

13  
14 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill  
15 and insert:

16  
17 "An Act relating to state pensions; amending 11 O.S.  
18 2021, Sections 50-111.3 and 50-112, which relate to  
19 the Oklahoma Police Pension and Retirement System;  
20 modifying provision related to assumed rate of  
21 return; allowing municipalities under certain  
22 population to hire certain retired police officers  
23 without reentering system; allowing for retired  
24 persons to be hired as police officers under certain  
circumstances without entrance into system;  
requiring payment of certain contribution amount;  
providing for codification; providing an effective  
date; and declaring an emergency.

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

2 SECTION 1. AMENDATORY 11 O.S. 2021, Section 50-111.3, is  
3 amended to read as follows:

4 Section 50-111.3 A. In lieu of terminating employment and  
5 accepting a service retirement pension pursuant to Section 50-114 of  
6 this title, any member of the Oklahoma Police Pension and Retirement  
7 System who has not less than twenty (20) years of creditable service  
8 and who is eligible to receive a service retirement pension may make  
9 an irrevocable election to participate in the Oklahoma Police  
10 Deferred Option Plan and defer the receipts of benefits in  
11 accordance with the provisions of this section.

12 B. For purposes of this section, creditable service shall  
13 include service credit reciprocally recognized pursuant to Section  
14 50-101 et seq. of this title but for eligibility purposes only.

15 C. The duration of participation in the Oklahoma Police  
16 Deferred Option Plan for a member shall not exceed five (5) years.  
17 Participation in the Oklahoma Police Deferred Option Plan must begin  
18 the first day of a month and end on the last day of a month. At the  
19 conclusion of a member's participation in the Oklahoma Police  
20 Deferred Option Plan, the member shall terminate employment with all  
21 participating municipalities as an officer, and shall start  
22 receiving the member's accrued monthly retirement benefit from the  
23 System. Such a member may receive in-service distributions of such  
24 member's accrued monthly retirement benefit from the System if such

1 member is reemployed by a participating municipality only if such  
2 reemployment is as a police chief or in a position not covered under  
3 the System.

4 D. When a member begins participation in the Oklahoma Police  
5 Deferred Option Plan, the contribution of the employee shall cease.  
6 The employer contributions shall continue to be paid in accordance  
7 with Section 50-109 of this title. Municipal contributions for  
8 employees who elect the Oklahoma Police Deferred Option Plan shall  
9 be credited equally to the Oklahoma Police Pension and Retirement  
10 System and to the Oklahoma Police Deferred Option Plan. The monthly  
11 retirement benefits that would have been payable had the member  
12 elected to cease employment and receive a service retirement shall  
13 be paid into the Oklahoma Police Deferred Option Plan account.

14 E. 1. A member who participates in this plan shall be eligible  
15 to receive cost of living increases.

16 2. A member who participates in this plan shall earn interest  
17 at a rate of two percentage points below the rate of return of the  
18 investment portfolio of the System, but no less than ~~the actuarial~~  
19 ~~assumed interest rate as certified by the actuary in the yearly~~  
20 ~~evaluation report of the actuary~~ seven and one-half percent (7.5%)  
21 interest effective July 1, 2022. The interest shall be credited to  
22 the individual account balance of the member on an annual basis.

23 F. A participant in the Oklahoma Police Deferred Option Plan  
24 shall receive, at the option of the participant:

1        1. A lump sum payment from the account equal to the option  
2 account balance of the participant, payable to the participant;

3        2. A lump sum payment from the account equal to the option  
4 account balance of the participant, payable to the annuity provider  
5 which shall be selected by the participant as a result of the  
6 research and investigation of the participant; or

7        3. Any other method of payment if approved by the State Board.

8        Notwithstanding any other provision contained herein to the  
9 contrary, commencement of distributions under the Oklahoma Police  
10 Deferred Option Plan shall be no later than the time as set forth in  
11 subsection C of Section 50-114 of this title.

12        G. If the participant dies during the period of participation  
13 in the Oklahoma Police Deferred Option Plan, a lump sum payment  
14 equal to the account balance of the participant shall be paid to the  
15 recipients, which may include a trust, properly designated in  
16 writing by the participant or, if none, to the surviving spouse who  
17 was married to the participant for the thirty (30) continuous months  
18 immediately preceding the death of the participant; provided, a  
19 surviving spouse of a participant who died in, and as a consequence  
20 of, the performance of the participant's duty for a participating  
21 municipality shall not be subject to the thirty-month marriage  
22 requirement for survivor benefits or, if no surviving spouse, to the  
23 estate of the participant.

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1 H. In lieu of participating in the Oklahoma Police Deferred  
2 Option Plan pursuant to subsections A, B, C, D, E, and F of this  
3 section, a member may make an irrevocable election to participate in  
4 the Oklahoma Police Deferred Option Plan pursuant to this subsection  
5 as follows:

6 1. For purposes of this subsection, the following definitions  
7 shall apply:

- 8 a. "back drop date" means the date selected by the  
9 member, which is up to five (5) years before the  
10 member elects to participate in the Oklahoma Police  
11 Deferred Option Plan, but not before the date at which  
12 the member completes twenty (20) years of credited  
13 service,
- 14 b. "termination date" means the date the member elects to  
15 participate in the Oklahoma Police Deferred Option  
16 Plan pursuant to this subsection, and the date the  
17 member terminates employment with all participating  
18 municipalities as an active police officer, such  
19 termination has at all times included reemployment of  
20 a member by a participating municipality only if such  
21 reemployment is as a police chief or in a position not  
22 covered under the System,
- 23 c. "earlier attained credited service" means the credited  
24 service earned by a member as of the back drop date,

1 and earlier attained credited service cannot be  
2 reduced to less than twenty (20) years of credited  
3 service, 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 of 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 as if the member had  
13 participated in the Oklahoma Police Deferred Option  
14 Plan pursuant to subsections A, B, C, D, and E of this  
15 section from the back drop date to the termination  
16 date;

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 police officer  
23 and shall start receiving the member's accrued monthly retirement  
24 benefit from the System. The provisions of subsections B, C, E, F,

1 and G of this section shall apply to this subsection. A member  
2 shall not participate in the Oklahoma Police Deferred Option Plan  
3 pursuant to this subsection if the member has elected to participate  
4 in the Oklahoma Police Deferred Option Plan pursuant to subsections  
5 A, B, C, D, E, and F of this section; and

6 3. If a member who has not less than twenty (20) years of  
7 creditable service and who is eligible to receive a service  
8 retirement pension dies prior to terminating employment, the  
9 surviving spouse shall be eligible to elect to receive a benefit  
10 determined as if the member had elected to participate in the  
11 Oklahoma Police Deferred Option Plan in accordance with this  
12 subsection on the day immediately preceding the death. The  
13 surviving spouse must have been married to the member for the thirty  
14 (30) continuous months preceding the member's death; provided, the  
15 surviving spouse of a member who died while in, and as a consequence  
16 of, the performance of the member's duty for a participating  
17 municipality shall not be subject to the thirty-month marriage  
18 requirement for this election.

19 SECTION 2. AMENDATORY 11 O.S. 2021, Section 50-112, is  
20 amended to read as follows:

21 Section 50-112. A. All persons employed as full-time duly  
22 appointed or elected officers who are paid for working more than  
23 twenty-five (25) hours per week or any person hired by a  
24 participating municipality who is undergoing police training to

1 become a permanent police officer of the municipality shall  
2 participate in the System upon initial employment with a police  
3 department of a participating municipality. All such persons shall  
4 submit to a physical-medical examination pertaining to sight,  
5 hearing, agility and other conditions the requirements of which  
6 shall be established by the State Board. The person shall be  
7 required to complete this physical-medical examination prior to the  
8 beginning of actual employment. This examination shall identify any  
9 preexisting conditions. Except as otherwise provided in this  
10 section, a police officer shall be not less than twenty-one (21) nor  
11 more than forty-five (45) years of age when accepted for membership  
12 in the System. However, if a municipality should be found to be in  
13 noncompliance with the provisions of Article 50 of this title, as  
14 determined by the State Board, then any current full-time active  
15 police officer employed by a municipality as of July 1, 2001, shall  
16 not be denied eligibility to participate in the Oklahoma Police  
17 Pension and Retirement System solely due to age. The State Board  
18 shall have authority to deny or revoke membership of any person  
19 submitting false information in such person's membership  
20 application. The State Board shall have final authority in  
21 determining eligibility for membership in the System, pursuant to  
22 the provisions of this article.

23 B. The police chief of any participating municipality may be  
24 exempt from membership in the System or may become a member provided

1 the member is not a retired member and the requirements of this  
2 section are met at the time of employment.

3 C. A member of the System who has attained his or her normal  
4 retirement date may, if the member so elects, agree to terminate  
5 employment and retire as a member of the System and make an election  
6 to receive distributions from the System. If a retired member is  
7 reemployed by a participating municipality in the position of police  
8 chief or in a position which is not covered by the System,  
9 retirement shall include receipt by such retired member of in-  
10 service distributions from the System.

11 D. A former member of the System who terminates from covered  
12 employment and who has neither retired from the System nor entered  
13 the Oklahoma Police Deferred Option Plan and is later employed in a  
14 covered position with a participating municipality shall not be  
15 denied eligibility to become a member of the System because he or  
16 she is forty-five (45) years of age or older. If such member has  
17 withdrawn his or her contributions prior to re-entering the System  
18 and the member desires to receive credit for such prior service,  
19 then the member shall pay back such contributions and interest  
20 pursuant to Section 50-111.1 of this title.

21 E. Notwithstanding any other provision of law to the contrary,  
22 a municipality ~~that employs two (2) or fewer full-time police~~  
23 ~~officers~~ with a population of four thousand five hundred (4,500) or  
24 less, according to the latest Federal Decennial Census, may employ a

1 ~~police officer~~ retired police officers who ~~is~~ are more than forty-  
2 five (45) years of age and who ~~has never~~ have participated in the  
3 Oklahoma Police Pension and Retirement System, ~~but such police~~  
4 ~~officer~~ and are receiving retirement benefits. Such officers shall  
5 not be eligible to reenter and participate in the System. ~~Such~~  
6 ~~police officer shall be counted in the limitation imposed by this~~  
7 ~~subsection.~~ Notwithstanding any other provisions of law, the State  
8 Board shall be granted access to information concerning a list of  
9 actively working police officers within the municipalities and  
10 agencies under the purview provided by the Council on Law  
11 Enforcement Education and Training.

12 SECTION 3. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 50-112.1 of Title 11, unless  
14 there is created a duplication in numbering, reads as follows:

15 Notwithstanding any other provision of law, any person who is  
16 receiving retirement benefits from a state pension system may be  
17 hired by a municipality with a population of four thousand five  
18 hundred (4,500) or less, according to the latest Federal Decennial  
19 Census, to fulfill the duties and obligations of a police officer.  
20 Such persons shall not be subject to the requirements and  
21 obligations of the Oklahoma Police Pension and Retirement System and  
22 shall not be eligible to enter into the System. A municipality, as  
23 described by the provisions of this section, shall be required to  
24 pay the employee contribution of eight percent (8%) to the Oklahoma

1 Police Pension and Retirement System, as prescribed by Section 50-  
2 110 of Title 11 of the Oklahoma Statutes, with respect to the  
3 compensation paid only to retirees who retired from the Oklahoma  
4 Police Pension and Retirement System.

5 SECTION 4. This act shall become effective July 1, 2022.

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

10 Passed the House of Representatives the 27th day of April, 2022.

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\_\_\_\_\_  
Presiding Officer of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2022.

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Presiding Officer of the Senate

1 ENGROSSED SENATE  
2 BILL NO. 1188

By: Taylor, Jett, Coleman,  
Kidd, and Bergstrom of the  
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7 An Act relating to state pensions; amending 11 O.S.  
8 2021, Section 50-112, which relates to eligibility  
9 for membership in system; allowing municipalities  
10 under certain population to hire certain retired  
11 police officers without reentering system; allowing  
for retired persons to be hired as police officers  
under certain circumstances without entrance into  
system; providing for codification; and providing an  
effective date.

12  
13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 6. AMENDATORY 11 O.S. 2021, Section 50-112, is  
15 amended to read as follows:

16 Section 50-112. A. All persons employed as full-time duly  
17 appointed or elected officers who are paid for working more than  
18 twenty-five (25) hours per week or any person hired by a  
19 participating municipality who is undergoing police training to  
20 become a permanent police officer of the municipality shall  
21 participate in the System upon initial employment with a police  
22 department of a participating municipality. All such persons shall  
23 submit to a physical-medical examination pertaining to sight,  
24 hearing, agility and other conditions the requirements of which

1 shall be established by the State Board. The person shall be  
2 required to complete this physical-medical examination prior to the  
3 beginning of actual employment. This examination shall identify any  
4 preexisting conditions. Except as otherwise provided in this  
5 section, a police officer shall be not less than twenty-one (21) nor  
6 more than forty-five (45) years of age when accepted for membership  
7 in the System. However, if a municipality should be found to be in  
8 noncompliance with the provisions of Article 50 of this title, as  
9 determined by the State Board, then any current full-time active  
10 police officer employed by a municipality as of July 1, 2001, shall  
11 not be denied eligibility to participate in the Oklahoma Police  
12 Pension and Retirement System solely due to age. The State Board  
13 shall have authority to deny or revoke membership of any person  
14 submitting false information in such person's membership  
15 application. The State Board shall have final authority in  
16 determining eligibility for membership in the System, pursuant to  
17 the provisions of this article.

18 B. The police chief of any participating municipality may be  
19 exempt from membership in the System or may become a member provided  
20 the member is not a retired member and the requirements of this  
21 section are met at the time of employment.

22 C. A member of the System who has attained his or her normal  
23 retirement date may, if the member so elects, agree to terminate  
24 employment and retire as a member of the System and make an election

1 to receive distributions from the System. If a retired member is  
2 reemployed by a participating municipality in the position of police  
3 chief or in a position which is not covered by the System,  
4 retirement shall include receipt by such retired member of in-  
5 service distributions from the System.

6 D. A former member of the System who terminates from covered  
7 employment and who has neither retired from the System nor entered  
8 the Oklahoma Police Deferred Option Plan and is later employed in a  
9 covered position with a participating municipality shall not be  
10 denied eligibility to become a member of the System because he or  
11 she is forty-five (45) years of age or older. If such member has  
12 withdrawn his or her contributions prior to re-entering the System  
13 and the member desires to receive credit for such prior service,  
14 then the member shall pay back such contributions and interest  
15 pursuant to Section 50-111.1 of this title.

16 E. Notwithstanding any other provision of law to the contrary,  
17 a municipality ~~that employs two (2) or fewer full-time police~~  
18 ~~officers~~ with a population of four thousand five hundred (4,500) or  
19 less, according to the latest Federal Decennial Census, may employ a  
20 ~~police officer~~ retired police officers who ~~is~~ are more than forty-  
21 five (45) years of age and who ~~has never~~ have participated in the  
22 Oklahoma Police Pension and Retirement System, and are receiving  
23 retirement benefits. ~~but such police officer~~ Such officers shall  
24 not be eligible to reenter and participate in the System. ~~Such~~

1 ~~police officer shall be counted in the limitation imposed by this~~  
2 ~~subsection.~~ Notwithstanding any other provisions of law, the State  
3 Board shall be granted access to information concerning a list of  
4 actively working police officers within the municipalities and  
5 agencies under the purview provided by the Council on Law  
6 Enforcement Education and Training.

7 SECTION 7. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 112.1 of Title 11, unless there  
9 is created a duplication in numbering, reads as follows:

10 Notwithstanding any other provision of law, any person who is  
11 receiving retirement benefits from a state pension system may be  
12 hired by a municipality with a population of four thousand five  
13 hundred (4,500) or less, according to the latest Federal Decennial  
14 Census, to fulfill the duties and obligations of a police officer.  
15 Such persons shall not be subject to the requirements and  
16 obligations of the Oklahoma Police Pension Retirement System and  
17 shall not be eligible to enter into the System.

18 SECTION 8. This act shall become effective November 1, 2022.  
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1 Passed the Senate the 8th day of March, 2022.

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3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2022.

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9 Presiding Officer of the House  
10 of Representatives