

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 ENGROSSED SENATE  
7 BILL NO. 743

By: Weaver of the Senate

and

Moore of the House

8  
9  
10 COMMITTEE SUBSTITUTE

11 An Act relating to public retirement systems;  
12 amending 62 O.S. 2021, Section 3103, which relates to  
13 the Oklahoma Pension Legislation Actuarial Analysis  
14 Act; modifying definitions; amending 11 O.S. 2021,  
15 Sections 50-101 and 50-115, which relate to  
16 definitions and disability benefit; modifying  
17 definitions of permanent in-line disability and  
18 normal disability benefit; modifying disability  
19 benefits received by certain disabled officers;  
20 updating statutory language; modifying permanent  
21 impairment guidelines; and providing effective dates.

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

23 SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, is  
24 amended to read as follows:

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

1       1. "Amendment" means any amendment, including a substitute  
2 bill, made to a retirement bill by any committee of the House or  
3 Senate, any conference committee of the House or Senate or by the  
4 House or Senate;

5       2. "RB number" means that number preceded by the letters "RB"  
6 assigned to a retirement bill by the respective staffs of the  
7 Oklahoma State Senate and the Oklahoma House of Representatives when  
8 the respective staff office prepares a retirement bill for a member  
9 of the Legislature;

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

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

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

- 20           a. which does not affect the cost or funding factors of a  
21           retirement system,  
22           b. which affects such factors only in a manner which does  
23           not:

- 1 (1) grant a benefit increase under the retirement  
2 system affected by the bill,  
3 (2) create an actuarial accrued liability for or  
4 increase the actuarial accrued liability of the  
5 retirement system affected by the bill, or  
6 (3) increase the normal cost of the retirement system  
7 affected by the bill,

8 c. which authorizes the purchase by an active member of  
9 the retirement system, at the actuarial cost for the  
10 purchase as computed pursuant to the statute in effect  
11 on the effective date of the measure allowing such  
12 purchase, of years of service for purposes of reaching  
13 a normal retirement date in the applicable retirement  
14 system, but which cannot be used in order to compute  
15 the number of years of service for purposes of  
16 computing the retirement benefit for the member,

17 d. which provides for the computation of a service-  
18 connected disability retirement benefit for members of  
19 the Oklahoma Law Enforcement Retirement System  
20 pursuant to Section 2-305 of Title 47 of the Oklahoma  
21 Statutes if the members were unable to complete twenty  
22 (20) years of service as a result of the disability,

23 e. which requires membership in the defined benefit plan  
24 authorized by Section 901 et seq. of Title 74 of the

1 Oklahoma Statutes for persons whose first elected or  
2 appointed service occurs on or after November 1, 2018,  
3 if such persons had any prior service in the Oklahoma  
4 Public Employees Retirement System prior to November  
5 1, 2015,

6 f. which provides for a one-time increase in retirement  
7 benefits if the increase in retirement benefits is not  
8 a permanent increase in the gross annual retirement  
9 benefit payable to a member or beneficiary, occurs  
10 only once pursuant to a single statutory authorization  
11 and does not exceed:

12 (1) the lesser of two percent (2%) of the gross  
13 annual retirement benefit of the member or One  
14 Thousand Dollars (\$1,000.00) and requires that  
15 the benefit may only be provided if the funded  
16 ratio of the affected retirement system would not  
17 be less than sixty percent (60%) but not greater  
18 than eighty percent (80%) after the benefit  
19 increase is paid,

20 (2) the lesser of two percent (2%) of the gross  
21 annual retirement benefit of the member or One  
22 Thousand Two Hundred Dollars (\$1,200.00) and  
23 requires that the benefit may only be provided if  
24 the funded ratio of the affected retirement

1 system would be greater than eighty percent (80%)  
2 but not greater than one hundred percent (100%)  
3 after the benefit increase is paid,

4 (3) the lesser of two percent (2%) of the gross  
5 annual retirement benefit of the member or One  
6 Thousand Four Hundred Dollars (\$1,400.00) and  
7 requires that the benefit may only be provided if  
8 the funded ratio of the affected retirement  
9 system would be greater than one hundred percent  
10 (100%) after the benefit increase is paid, or

11 (4) the greater of two percent (2%) of the gross  
12 annual retirement benefit of the volunteer  
13 firefighter or One Hundred Dollars (\$100.00) for  
14 persons who retired from the Oklahoma  
15 Firefighters Pension and Retirement System as  
16 volunteer firefighters and who did not retire  
17 from the Oklahoma Firefighters Pension and  
18 Retirement System as a paid firefighter.

19 As used in this subparagraph, "funded ratio" means the  
20 figure derived by dividing the actuarial value of  
21 assets of the applicable retirement system by the  
22 actuarial accrued liability of the applicable  
23 retirement system,  
24

1 g. which modifies the disability pension standard for  
2 police officers who are members of the Oklahoma Police  
3 Pension and Retirement System as provided by Section 3  
4 of this act, ~~or~~

5 h. which provides a cost-of-living benefit increase  
6 pursuant to the provisions of ~~Sections 2 through 7 of~~  
7 ~~this act:~~

8 (1) Section 49-143.7 of Title 11 of the Oklahoma  
9 Statutes,

10 (2) Section 50-136.9 of Title 11 of the Oklahoma  
11 Statutes,

12 (3) Section 1104K of Title 20 of the Oklahoma  
13 Statutes,

14 (4) Section 2-305.12 of Title 47 of the Oklahoma  
15 Statutes,

16 (5) Section 17-116.22 of Title 70 of the Oklahoma  
17 Statutes,

18 (6) Section 930.11 of Title 74 of the Oklahoma  
19 Statutes, or

20 i. which modifies the computation of the line-of-duty  
21 disability benefit pursuant to the provisions of this  
22 act.

23 A nonfiscal retirement bill shall include any retirement bill that  
24 has as its sole purpose the appropriation or distribution or

1 redistribution of monies in some manner to a retirement system for  
2 purposes of reducing the unfunded liability of such system or the  
3 earmarking of a portion of the revenue from a tax to a retirement  
4 system or increasing the percentage of the revenue earmarked from a  
5 tax to a retirement system;

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

10 7. "Retirement bill" means any bill or joint resolution  
11 introduced or any bill or joint resolution amended by a member of  
12 the Oklahoma Legislature which creates or amends any law directly  
13 affecting a retirement system. A retirement bill shall not mean a  
14 bill or resolution that impacts the revenue of any state tax in  
15 which a portion of the revenue generated from such tax is earmarked  
16 for the benefit of a retirement system;

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

20 9. "Retirement system" means the Teachers' Retirement System of  
21 Oklahoma, the Oklahoma Public Employees Retirement System, the  
22 Uniform Retirement System for Justices and Judges, the Oklahoma  
23 Firefighters Pension and Retirement System, the Oklahoma Police  
24 Pension and Retirement System, the Oklahoma Law Enforcement

1 Retirement System, or a retirement system established after January  
2 1, 2006.

3 SECTION 2. AMENDATORY 11 O.S. 2021, Section 50-101, is  
4 amended to read as follows:

5 Section 50-101. As used in this article:

6 1. "System" means the Oklahoma Police Pension and Retirement  
7 System and all predecessor municipal Police Pension and Retirement  
8 Systems;

9 2. "Article" means Article 50 of this title;

10 3. "State Board" means the Oklahoma Police Pension and  
11 Retirement Board;

12 4. "Fund" means the Oklahoma Police Pension and Retirement  
13 Fund;

14 5. "Officer" means any duly appointed and sworn full-time  
15 officer of the regular police department of a municipality whose  
16 duties are to preserve the public peace, protect life and property,  
17 prevent crime, serve warrants, enforce all laws and municipal  
18 ordinances of this state, and any political subdivision thereof, and  
19 who is authorized to bear arms in the execution of such duties;

20 6. "Member" means all eligible officers of a participating  
21 municipality and any person hired by a participating municipality  
22 who is undergoing police training to become a permanent police  
23 officer of the municipality. Effective July 1, 1987, a member does  
24 not include a "leased employee" as defined under Section 414(n) (2)



1 of the Internal Revenue Code of 1986, as amended. Effective July 1,  
2 1999, any individual who agrees with the participating municipality  
3 that the individual's services are to be performed as a leased  
4 employee or an independent contractor shall not be a member  
5 regardless of any classification as a common law employee by the  
6 Internal Revenue Service or any other governmental agency, or any  
7 court of competent jurisdiction. A member shall include eligible  
8 commissioned officers of the Oklahoma State Bureau of Narcotics and  
9 Dangerous Drugs Control, the Oklahoma State Bureau of Investigation,  
10 and the Alcoholic Beverage Laws Enforcement Commission who elect to  
11 participate in the System pursuant to Section 50-111.5 of this  
12 title;

13 7. "Normal retirement date" means the date at which the member  
14 is eligible to receive the unreduced payments of the member's  
15 accrued retirement benefit. Such date shall be the first day of the  
16 month coinciding with or following the date the member completes  
17 twenty (20) years of credited service. If the member's employment  
18 continues past the normal retirement date of the member, the actual  
19 retirement date of the member shall be the first day of the month  
20 after the member terminates employment with more than twenty (20)  
21 years of credited service;

22 8. "Credited service" means the period of service used to  
23 determine the eligibility for and the amount of benefits payable to  
24 a member. Credited service shall consist of the period during which

1 the member participated in the System or the predecessor municipal  
2 systems as an active employee in an eligible membership  
3 classification, plus any service prior to the establishment of the  
4 predecessor municipal systems which was credited under the  
5 predecessor municipal systems or credited service granted by the  
6 State Board;

7 9. "Participating municipality" means a municipality which is  
8 making contributions to the System on behalf of its officers. The  
9 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the  
10 Oklahoma State Bureau of Investigation, and the Alcoholic Beverage  
11 Laws Enforcement Commission shall be treated in the same manner as a  
12 participating municipality only regarding those members who elect to  
13 participate in the System pursuant to Section 50-111.5 of this  
14 title;

15 10. "Permanent total disability" means incapacity due to  
16 accidental injury or occupational disease, to earn any wages in the  
17 employment for which the member is physically suited and reasonably  
18 fitted through education, training or experience. Further, the  
19 member must be declared one hundred percent (100%) impaired as  
20 defined by the "American Medical Association's Guides to the  
21 Evaluation of Permanent Impairment" on the basis of a physical  
22 medical examination by a physician licensed to practice medicine in  
23 this state, as selected by the State Board;

24

1 11. "Permanent partial disability" means permanent disability  
2 which is less than permanent total disability as defined in this  
3 section. The member must be declared no greater than ninety-nine  
4 percent (99%) impaired as defined by the "American Medical  
5 Association's Guides to the Evaluation of Permanent Impairment" on  
6 the basis of a physical medical examination by a physician licensed  
7 to practice medicine in this state, as selected by the State Board;

8 12. "Permanent in-line disability" means ~~incapacity to earn any~~  
9 ~~wages as a certified, commissioned police officer due to accidental~~  
10 ~~injury or occupational disease, incurred while in, and in~~  
11 ~~consequence of, the performance of duty as an officer~~ when a police  
12 officer serving in any capacity at a regular police department of a  
13 participating municipality becomes so physically or mentally  
14 disabled, as determined by an independent medical examiner,  
15 psychiatrist, or psychologist selected by the State Board, while in,  
16 and in consequence of, the performance of authorizing activities  
17 while on duty as an officer that he or she is unable to perform the  
18 required duties of a police officer;

19 13. "Beneficiary" means a member's surviving spouse or any  
20 surviving children, including biological and adopted children, at  
21 the time of the member's death. The surviving spouse must have been  
22 married to the member for the thirty (30) continuous months  
23 immediately preceding the member's death, provided a surviving  
24 spouse of a member who died while in, and as a consequence of, the

1 performance of the member's duty for a participating municipality,  
2 shall not be subject to the thirty-month marriage requirement for  
3 survivor benefits. A surviving child of a member shall be a  
4 beneficiary until reaching eighteen (18) years of age or twenty-two  
5 (22) years of age if the child is enrolled full time and regularly  
6 attending a public or private school or any institution of higher  
7 education. Any child adopted by a member after the member's  
8 retirement shall be a beneficiary only if the child is adopted by  
9 the member for the thirty (30) continuous months preceding the  
10 member's death. Any child who is adopted by a member after the  
11 member's retirement and such member dies accidentally or as a  
12 consequence of the performance of the member's duty as a police  
13 officer shall not be subject to the thirty-month adoption  
14 requirement. This definition of beneficiary shall be in addition to  
15 any other requirement set forth in this article;

16 14. "Executive Director" means the managing officer of the  
17 System employed by the State Board;

18 15. "Eligible employer" means any municipality with a municipal  
19 police department;

20 16. "Entry date" means the date as of which an eligible  
21 employer joins the System. The first entry date pursuant to this  
22 article shall be January 1, 1981;

23 17. "Final average salary" means the average paid base salary  
24 of the member for normally scheduled hours over the highest salaried

1 thirty (30) consecutive months of the last sixty (60) months of  
2 credited service. Effective July 1, 2016, the following shall apply  
3 in computing final average salary:

- 4 a. only paid base salary on which required contributions  
5 have been made shall be used in computing a member's  
6 final average salary,
- 7 b. for purposes of determining the normal disability  
8 benefit only, final average salary shall be based on  
9 the member's total service if less than thirty (30)  
10 months,
- 11 c. in addition to other applicable limitations, and  
12 notwithstanding any other provision to the contrary,  
13 for plan years beginning on or after July 1, 2002, the  
14 annual compensation of each "Noneligible Member" taken  
15 into account under the System shall not exceed the  
16 Economic Growth and Tax Relief Reconciliation Act of  
17 2001 (EGTRRA) annual compensation limit. The EGTRRA  
18 annual compensation limit is Two Hundred Thousand  
19 Dollars (\$200,000.00), as adjusted by the Commissioner  
20 for increases in the cost of living in accordance with  
21 Section 401(a)(17)(B) of the Internal Revenue Code of  
22 1986, as amended. The annual compensation limit in  
23 effect for a calendar year applies to any period, not  
24 exceeding twelve (12) months, over which compensation

1 is determined ("determination period") beginning in  
2 such calendar year. If a determination period  
3 consists of fewer than twelve (12) months, the EGTRRA  
4 annual compensation limit will be multiplied by a  
5 fraction, the numerator of which is the number of  
6 months in the determination period, and the  
7 denominator of which is twelve (12). For purposes of  
8 this section, a "Noneligible Member" is any member who  
9 first became a member during a plan year commencing on  
10 or after July 1, 1996,

- 11 d. for plan years beginning on or after July 1, 2002, any  
12 reference in the System to the annual compensation  
13 limit under Section 401(a)(17) of the Internal Revenue  
14 Code of 1986, as amended, shall mean the EGTRRA annual  
15 compensation limit set forth in this provision, and  
16 e. effective January 1, 2008, back pay, within the  
17 meaning of Section 1.415(c)-2(g)(8) of the Income Tax  
18 Regulations, shall be treated as paid base salary for  
19 the limitation year to which the back pay relates to  
20 the extent the back pay represents wages and  
21 compensation that would otherwise be included in this  
22 definition;

1 18. "Accrued retirement benefit" means two and one-half percent  
2 (2 1/2%) of the member's final average salary multiplied by the  
3 member's years of credited service not to exceed thirty (30) years;

4 19. "Normal disability benefit" means the greater of:

5 a. two and one-half percent (2 1/2%) of the member's  
6 final average salary multiplied by twenty (20) years,  
7 notwithstanding the years of actual credit service, or

8 b. two and one-half percent (2 1/2%) of the member's  
9 final average salary multiplied by the years of  
10 credited service of the member, not to exceed thirty  
11 (30) years, if the officer has more than twenty (20)  
12 years of credited service;

13 20. "Limitation year" means the year used in applying the  
14 limitations of Section 415 of the Internal Revenue Code of 1986, as  
15 amended, which year shall be the calendar year;

16 21. "Paid base salary" means, effective July 1, 2016, any  
17 compensation described in subparagraph a of this paragraph that is  
18 not described in subparagraph b of this paragraph.

19 a. Paid base salary shall include only:

20 (1) normal compensation paid on a regularly scheduled  
21 pay period, including, but not limited to,  
22 regular pay for holidays, paid time off, vacation  
23 or annual leave, sick leave or compensatory time  
24 in lieu of overtime, any lump sum payment paid in

1 lieu of a normal wage increase, provided such  
2 lump sum payment is retroactively applied over  
3 the prior twelve-month period ending with the  
4 payment date, compensation for bomb squad pay,  
5 education pay, incentive pay, K-9 pay,  
6 negotiation pay, shift differential, sniper pay,  
7 SWAT team pay, emergency response team pay, any  
8 other special unit pay, and any incremental  
9 increase in compensation which is not included by  
10 the employer in a member's regular base pay for  
11 salary increase purposes but is paid by the  
12 employer to the member for group health benefits  
13 based on an arrangement with a participating  
14 municipality that was in place on December 31,  
15 2015, so long as the arrangement continues  
16 uninterrupted for a member employed by a  
17 participating municipality on June 30, 2016, who  
18 has not since terminated employment and been  
19 rehired by such participating municipality,  
20 (2) any amount of elective salary reduction under  
21 Section 125 of the Internal Revenue Code of 1986,  
22 as amended, that would have been treated as paid  
23 base salary but for the salary deferral reduction  
24 agreement,



- 1 (3) any amount of elective salary reduction not  
2 includable in the gross income of the member  
3 under Section 132(f)(4) of the Internal Revenue  
4 Code of 1986, as amended, that would have been  
5 treated as paid base salary but for the salary  
6 deferral reduction agreement,
- 7 (4) any amount of elective salary reduction under  
8 Section 457 of the Internal Revenue Code of 1986,  
9 as amended, that would have been treated as paid  
10 base salary but for the salary deferral reduction  
11 agreement,
- 12 (5) any amount of elective salary reduction under  
13 Section 401(k) of the Internal Revenue Code of  
14 1986, as amended, that would have been treated as  
15 paid base salary but for the salary deferral  
16 reduction agreement,
- 17 (6) any amount of nonelective salary reduction under  
18 Section 414(h) of the Internal Revenue Code of  
19 1986, as amended,
- 20 (7) educational allowances paid to obtain training  
21 certification or pursue an advanced degree,
- 22 (8) longevity payments made to members based upon a  
23 standardized plan which recognizes length of  
24 service to the participating municipality,

1 (9) paid base salary shall also include base salary,  
2 as described in divisions (1) through (8) of this  
3 subparagraph, for services, but paid by the later  
4 of two and one-half (2 1/2) months after a  
5 member's severance from employment or the end of  
6 the calendar year that includes the date the  
7 member terminated employment, if it is a payment  
8 that, absent a severance from employment, would  
9 have been paid to the member while the member  
10 continued in employment with the participating  
11 municipality,

12 (10) any payments not described in divisions (1)  
13 through (9) of this subparagraph shall not be  
14 considered paid base salary if paid after  
15 severance from employment, even if they are paid  
16 by the later of two and one-half (2 1/2) months  
17 after the date of severance from employment or  
18 the end of the calendar year that includes the  
19 date of severance from employment, except  
20 payments to an individual who does not currently  
21 perform services for the participating  
22 municipality by reason of qualified military  
23 service within the meaning of Section 414(u) (5)  
24 of the Internal Revenue Code of 1986, as amended,

1 to the extent these payments do not exceed the  
2 amounts the individual would have received if the  
3 individual had continued to perform services for  
4 the participating municipality rather than  
5 entering qualified military service,

6 (11) back pay, within the meaning of Section 1.415(c)-  
7 2(g) (8) of the Income Tax Regulations, shall be  
8 treated as paid base salary for the limitation  
9 year to which the back pay relates to the extent  
10 the back pay represents wages and compensation  
11 that would otherwise be included in this  
12 definition, and

13 (12) paid base salary shall also include differential  
14 wage payments under Section 414(u) (12) of the  
15 Internal Revenue Code of 1986, as amended.

16 b. Notwithstanding anything to the contrary in this  
17 section, paid base salary shall not include any:

18 (1) fringe benefits, reimbursements, or increases in  
19 compensation due to reimbursements to the extent  
20 not specifically included above in subparagraph a  
21 of this paragraph,

22 (2) incremental increase in compensation which is not  
23 included by the employer in a member's regular  
24 base pay for salary increase purposes but is paid

1 by the employer to the member for group health  
2 benefits not otherwise included above in division  
3 (1) of subparagraph a of this paragraph,

4 (3) insurance benefits, including any reimbursements  
5 thereof, or insurance proceeds of any type not  
6 otherwise included above in division (1) of  
7 subparagraph a of this paragraph,

8 (4) bonuses, including signing bonuses, lump-sum  
9 payments or stipends made to the member not  
10 otherwise included above in division (1) of  
11 subparagraph a of this paragraph,

12 (5) overtime compensation,

13 (6) payments whether prior to or upon termination of  
14 employment for accumulated unused vacation or  
15 unused annual leave, accumulated unused sick  
16 leave, or accumulated unused paid time off or  
17 other unused leave,

18 (7) payments made in error to a member,

19 (8) payments made by the participating municipality  
20 for services rendered by the member, which  
21 services are not part of the member's job duties  
22 and responsibilities of his or her job position  
23 with the participating municipality,

24 (9) severance pay,

1 (10) unemployment payments, and

2 (11) uniform and equipment allowances; and

3 22. "Actuarial equivalent" means equality in value of the  
4 aggregate amounts expected to be received based on interest rate and  
5 mortality assumptions set by the State Board, in a manner that  
6 precludes employer discretion, and based upon recommendations from  
7 independent professional advisors, and which shall be published  
8 annually in the actuarial report.

9 SECTION 3. AMENDATORY 11 O.S. 2021, Section 50-115, is  
10 amended to read as follows:

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

24

1 B. In order for any member to be eligible for any disability  
2 benefit, or the member's beneficiaries to be eligible for a pension,  
3 the member must have complied with any agreement as to contributions  
4 by the member and other members to any funds of the System where  
5 ~~said~~ the agreement has been made as provided by this article; and  
6 the State Board must find:

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

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

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

16 D. 1. As of the date of determination by the State Board that  
17 a member ~~is physically or mentally disabled and that the disability~~  
18 ~~is permanent and partial or permanent and total as was incurred~~  
19 ~~while in, and in consequence of, the performance or duty as an~~  
20 ~~officer~~ has a permanent in-line disability, the member shall be  
21 awarded a normal disability benefit ~~on the basis of the percentage~~  
22 ~~of impairment to the whole person, as defined by the most current~~  
23 ~~standards of the impairment as outlined in the "American Medical~~  
24 ~~Association's Guides to the Evaluation of Permanent Impairment", as~~

1 ~~provided in the following table or as prescribed by paragraph 2 of~~  
 2 ~~this subsection with respect to injuries sustained as a result of a~~  
 3 ~~violent act:~~

4	<del>1% to 49% impairment to whole person =</del>	<del>50% of the normal</del>
5		<del>disability benefit</del>
6	<del>50% to 74% impairment to whole person =</del>	<del>75% of the normal</del>
7		<del>disability benefit</del>
8	<del>75% to 100% impairment to whole person =</del>	<del>100% of the normal</del>
9		<del>disability benefit, as defined in Section 50-101 of this title.</del>

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

19 E. If the participating municipality denies a disabled member  
 20 the option of continuing employment instead of retiring on a  
 21 disability pension, then the burden of proof rests with the  
 22 participating municipality to show cause to the State Board that  
 23 there is no position as a sworn officer within the police department  
 24 of that municipality which the member can fill.

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

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

18 ~~1% to 24% impaired = 25% of accrued retirement benefit~~  
 19 ~~25% to 49% impaired = 50% of accrued retirement benefit~~  
 20 50% to 74% impaired = 75% of accrued retirement benefit  
 21 75% to 99% impaired = ~~90%~~ 100% of accrued retirement benefit.

22 H. Before making a finding as to the disability of a member,  
 23 the State Board shall require that, if the member is able, the  
 24 member shall make a certificate as to the disability which shall be



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

17 I. Any member of a police department of any municipality who,  
18 in the line of duty, has been exposed to hazardous substances~~7~~  
19 including but not limited to chemicals used in the manufacture of a  
20 controlled dangerous substance or chemicals resulting from the  
21 manufacture of a controlled dangerous substance, or to blood-borne  
22 pathogens and who is later disabled from a condition that was the  
23 result of such exposure and that was not revealed by the physical  
24 examination passed by the member upon entry into the System shall be

1 presumed to have incurred such disability while performing the  
2 officer's duties unless the contrary is shown by competent evidence.  
3 The presumption created by this subsection shall have no application  
4 whatever to any workers' compensation claim or claims, and it shall  
5 not be applied or be relied upon in any way in workers' compensation  
6 proceedings. All compensation or benefits due to any member  
7 pursuant to the presumption created by this subsection shall be paid  
8 solely by the system.

9 J. If the requirements of Section 50-114.4 of this title are  
10 satisfied, a member who, by reason of disability, is separated from  
11 service as a public safety officer with the member's participating  
12 municipality, may elect to have payment made directly to the  
13 provider for qualified health insurance premiums by deduction from  
14 his or her monthly disability benefit, after December 31, 2006, in  
15 accordance with Section 402(1) of the Internal Revenue Code of 1986,  
16 as amended.

17 SECTION 4. Section 1 of this act shall become effective October  
18 1, 2022.

19 SECTION 5. Sections 2 and 3 of this act shall become effective  
20 November 1, 2022.

21

22 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND  
23 PENSIONS, dated 03/01/2022 - DO PASS, As Amended.

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