

## STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

HOUSE BILL 2488

By: Frix

AS INTRODUCED

An Act relating to public retirement systems; amending 62 O.S. 2011, Section 3103, as last amended by Section 1, Chapter 121, O.S.L. 2020 (62 O.S. Supp. 2020, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; amending 74 O.S. 2011, Sections 902, as last amended by Section 1, Chapter 112, O.S.L. 2020 and 919.1, as last amended by Section 4, Chapter 112, O.S.L. 2020 (74 O.S. Supp. 2020, Sections 902 and 919.1), which relate to the Oklahoma Public Employees Retirement System; providing for membership by certain emergency medical service personnel; providing for employee contributions; and providing effective dates.

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as last amended by Section 1, Chapter 121, O.S.L. 2020 (62 O.S. Supp. 2020, Section 3103), is amended to read as follows:

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

1. "Amendment" means any amendment, including a substitute bill, made to a retirement bill by any committee of the House or

1 Senate, any conference committee of the House or Senate or by the  
2 House or Senate;

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

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

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

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

18 a. which does not affect the cost or funding factors of a  
19 retirement system,

20 b. which affects such factors only in a manner which does  
21 not:

22 (1) grant a benefit increase under the retirement  
23 system affected by the bill,

24

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

- 6           c. which authorizes the purchase by an active member of  
7           the retirement system, at the actuarial cost for the  
8           purchase as computed pursuant to the statute in effect  
9           on the effective date of the measure allowing such  
10          purchase, of years of service for purposes of reaching  
11          a normal retirement date in the applicable retirement  
12          system, but which cannot be used in order to compute  
13          the number of years of service for purposes of  
14          computing the retirement benefit for the member,  
15          d. which provides for the computation of a service-  
16          connected disability retirement benefit for members of  
17          the Oklahoma Law Enforcement Retirement System  
18          pursuant to Section 2-305 of Title 47 of the Oklahoma  
19          Statutes if the members were unable to complete twenty  
20          (20) years of service as a result of the disability,  
21          e. which requires membership in the defined benefit plan  
22          authorized by Section 901 et seq. of Title 74 of the  
23          Oklahoma Statutes for persons whose first elected or  
24          appointed service occurs on or after November 1, 2018,

1 if such persons had any prior service in the Oklahoma  
2 Public Employees Retirement System prior to November  
3 1, 2015,

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

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

18 (2) the lesser of two percent (2%) of the gross  
19 annual retirement benefit of the member or One  
20 Thousand Two Hundred Dollars (\$1,200.00) and  
21 requires that the benefit may only be provided if  
22 the funded ratio of the affected retirement  
23 system would be greater than eighty percent (80%)  
24

1 but not greater than one hundred percent (100%)  
2 after the benefit increase is paid,

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

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

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

1 g. which provides a cost-of-living benefit increase  
2 pursuant to the provisions of Sections 2 through 7 of  
3 this act, or

4 h. which provides for participation by emergency medical  
5 service personnel on or after November 1, 2021, as  
6 provided by Sections 2 and 3 of this act.

7 A nonfiscal retirement bill shall include any retirement bill that  
8 has as its sole purpose the appropriation or distribution or  
9 redistribution of monies in some manner to a retirement system for  
10 purposes of reducing the unfunded liability of such system or the  
11 earmarking of a portion of the revenue from a tax to a retirement  
12 system or increasing the percentage of the revenue earmarked from a  
13 tax to a retirement system;

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

18 7. "Retirement bill" means any bill or joint resolution  
19 introduced or any bill or joint resolution amended by a member of  
20 the Oklahoma Legislature which creates or amends any law directly  
21 affecting a retirement system. A retirement bill shall not mean a  
22 bill or resolution that impacts the revenue of any state tax in  
23 which a portion of the revenue generated from such tax is earmarked  
24 for the benefit of a retirement system;

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

4 9. "Retirement system" means the Teachers' Retirement System of  
5 Oklahoma, the Oklahoma Public Employees Retirement System, the  
6 Uniform Retirement System for Justices and Judges, the Oklahoma  
7 Firefighters Pension and Retirement System, the Oklahoma Police  
8 Pension and Retirement System, the Oklahoma Law Enforcement  
9 Retirement System, or a retirement system established after January  
10 1, 2006.

11 SECTION 2. AMENDATORY 74 O.S. 2011, Section 902, as last  
12 amended by Section 1, Chapter 112, O.S.L. 2020 (74 O.S. Supp. 2020,  
13 Section 902), is amended to read as follows:

14 Section 902. As used in Section 901 et seq. of this title:

15 (1) "System" means the Oklahoma Public Employees Retirement  
16 System as established by this act and as it may hereafter be  
17 amended;

18 (2) "Accumulated contributions" means the sum of all  
19 contributions by a member to the System which shall be credited to  
20 the member's account;

21 (3) "Act" means Sections 901 to 932, inclusive, of this title;

22 (4) "Actuarial equivalent" means a deferred income benefit of  
23 equal value to the accumulated deposits or benefits when computed  
24 upon the basis of the actuarial tables in use by the System;

1 (5) "Actuarial tables" means the actuarial tables approved and  
2 in use by the Board at any given time;

3 (6) "Actuary" means the actuary or firm of actuaries employed  
4 by the Board at any given time;

5 (7) "Beneficiary" means any person named by a member to receive  
6 any benefits as provided for by Section 901 et seq. of this title.  
7 If there is no beneficiary living at time of member employee's  
8 death, the member's estate shall be the beneficiary;

9 (8) "Board" means the Oklahoma Public Employees Retirement  
10 System Board of Trustees;

11 (9) "Compensation" means all salary and wages, as defined by  
12 the Board of Trustees, including amounts deferred under deferred  
13 compensation agreements entered into between a member and a  
14 participating employer, but exclusive of payment for overtime,  
15 payable to a member of the System for personal services performed  
16 for a participating employer but shall not include compensation or  
17 reimbursement for traveling, or moving expenses, or any compensation  
18 in excess of the maximum compensation level, provided:

19 (a) For compensation for service prior to January 1, 1988,  
20 the maximum compensation level shall be Twenty-five  
21 Thousand Dollars (\$25,000.00) per annum.

22 For compensation for service on or after January 1,  
23 1988, through June 30, 1994, the maximum compensation  
24



1 level shall be Forty Thousand Dollars (\$40,000.00) per  
2 annum.

3 For compensation for service on or after July 1, 1994,  
4 through June 30, 1995, the maximum compensation level  
5 shall be Fifty Thousand Dollars (\$50,000.00) per  
6 annum; for compensation for service on or after July  
7 1, 1995, through June 30, 1996, the maximum  
8 compensation level shall be Sixty Thousand Dollars  
9 (\$60,000.00) per annum; for compensation for service  
10 on or after July 1, 1996, through June 30, 1997, the  
11 maximum compensation level shall be Seventy Thousand  
12 Dollars (\$70,000.00) per annum; and for compensation  
13 for service on or after July 1, 1997, through June 30,  
14 1998, the maximum compensation level shall be Eighty  
15 Thousand Dollars (\$80,000.00) per annum. For  
16 compensation for services on or after July 1, 1998,  
17 there shall be no maximum compensation level for  
18 retirement purposes.

19 (b) Compensation for retirement purposes shall include any  
20 amount of elective salary reduction under Section 457  
21 of the Internal Revenue Code of 1986 and any amount of  
22 nonelective salary reduction under Section 414(h) of  
23 the Internal Revenue Code of 1986.

1 (c) Notwithstanding any provision to the contrary, the  
2 compensation taken into account for any employee in  
3 determining the contribution or benefit accruals for  
4 any plan year is limited to the annual compensation  
5 limit under Section 401(a)(17) of the federal Internal  
6 Revenue Code.

7 (d) Current appointed members of the Oklahoma Tax  
8 Commission whose salary is constitutionally limited  
9 and is less than the highest salary allowed by law for  
10 his or her position shall be allowed, within ninety  
11 (90) days from the effective date of this act, to make  
12 an election to use the highest salary allowed by law  
13 for the position to which the member was appointed for  
14 the purposes of making contributions and determination  
15 of retirement benefits. Such election shall be  
16 irrevocable and be in writing. Reappointment to the  
17 same office shall not permit a new election. Members  
18 appointed to the Oklahoma Tax Commission after the  
19 effective date of this act shall make such election,  
20 pursuant to this subparagraph, within ninety (90) days  
21 of taking office;

22 (10) "Credited service" means the sum of participating service,  
23 prior service and elected service;

1 (11) "Dependent" means a parent, child, or spouse of a member  
2 who is dependent upon the member for at least one-half (1/2) of the  
3 member's support;

4 (12) "Effective date" means the date upon which the System  
5 becomes effective by operation of law;

6 (13) "Eligible employer" means the state and any county, county  
7 hospital, city or town, conservation districts, circuit engineering  
8 districts and any public or private trust in which a county, city or  
9 town participates and is the primary beneficiary, is to be an  
10 eligible employer for the purpose of this act only, whose employees  
11 are covered by Social Security and are not covered by or eligible  
12 for another retirement plan authorized under the laws of this state  
13 which is in operation on the initial entry date. Emergency medical  
14 service districts may join the System upon proper application to the  
15 Board. Provided affiliation by a county hospital shall be in the  
16 form of a resolution adopted by the board of control.

17 (a) If a class or several classes of employees of any  
18 above-defined employers are covered by Social Security  
19 and are not covered by or eligible for and will not  
20 become eligible for another retirement plan authorized  
21 under the laws of this state, which is in operation on  
22 the effective date, such employer shall be deemed an  
23 eligible employer, but only with respect to that class  
24

1 or those classes of employees as defined in this  
2 section.

3 (b) A class or several classes of employees who are  
4 covered by Social Security and are not covered by or  
5 eligible for and will not become eligible for another  
6 retirement plan authorized under the laws of this  
7 state, which is in operation on the effective date,  
8 and when the qualifications for employment in such  
9 class or classes are set by state law; and when such  
10 class or classes of employees are employed by a county  
11 or municipal government pursuant to such  
12 qualifications; and when the services provided by such  
13 employees are of such nature that they qualify for  
14 matching by or contributions from state or federal  
15 funds administered by an agency of state government  
16 which qualifies as a participating employer, then the  
17 agency of state government administering the state or  
18 federal funds shall be deemed an eligible employer,  
19 but only with respect to that class or those classes  
20 of employees as defined in this subsection; provided,  
21 that the required contributions to the retirement plan  
22 may be withheld from the contributions of state or  
23 federal funds administered by the state agency and  
24 transmitted to the System on the same basis as the

1 employee and employer contributions are transmitted  
2 for the direct employees of the state agency. The  
3 retirement or eligibility for retirement under the  
4 provisions of law providing pensions for service as a  
5 volunteer firefighter shall not render any person  
6 ineligible for participation in the benefits provided  
7 for in Section 901 et seq. of this title. An employee  
8 of any public or private trust in which a county, city  
9 or town participates and is the primary beneficiary  
10 shall be deemed to be an eligible employee for the  
11 purpose of this act only.

12 (c) All employees of the George Nigh Rehabilitation  
13 Institute who elected to retain membership in the  
14 System, pursuant to Section 913.7 of this title, shall  
15 continue to be eligible employees for the purposes of  
16 this act. The George Nigh Rehabilitation Institute  
17 shall be considered a participating employer only for  
18 such employees.

19 (d) All employees of CompSource Mutual Insurance Company  
20 who retain membership in the Oklahoma Public Employees  
21 Retirement System pursuant to Section 913.9 of this  
22 title shall continue to be eligible employees for the  
23 purposes of the Oklahoma Public Employees Retirement  
24 System. CompSource Mutual Insurance Company shall be

1 considered a participating employer only for such  
2 employees.

3 (e) All employees of a successor organization, as defined  
4 by Section 5-60.12 of Title 2 of the Oklahoma  
5 Statutes, who retain membership in the Oklahoma Public  
6 Employees Retirement System pursuant to Section 5-  
7 60.35 of Title 2 of the Oklahoma Statutes shall  
8 continue to be eligible employees for the purposes of  
9 the Oklahoma Public Employees Retirement System. A  
10 successor organization shall be considered a  
11 participating employer only for such employees.

12 (f) A participating employer of the Teachers' Retirement  
13 System of Oklahoma, who has one or more employees who  
14 have made an election pursuant to enabling legislation  
15 to retain membership in the System as a result of  
16 change in administration, shall be considered a  
17 participating employer of the Oklahoma Public  
18 Employees Retirement System only for such employees;

19 (14) "Employee" means any officer or employee of a  
20 participating employer, whose employment is not seasonal or  
21 temporary and whose employment requires at least one thousand  
22 (1,000) hours of work per year and whose salary or wage is equal to  
23 the hourly rate of the monthly minimum wage for state employees.  
24 For those eligible employers outlined in Section 910 of this title,

1 the rate shall be equal to the hourly rate of the monthly minimum  
2 wage for that employer. Each employer, whose minimum wage is less  
3 than the state's minimum wage, shall inform the System of the  
4 minimum wage for that employer. This notification shall be by  
5 resolution of the governing body.

6 (a) Any employee of the county extension agents who is not  
7 currently participating in the Teachers' Retirement  
8 System of Oklahoma shall be a member of this System.

9 (b) Eligibility shall not include any employee who is a  
10 contributing member of the United States Civil Service  
11 Retirement System.

12 (c) It shall be mandatory for an officer, appointee or  
13 employee of the office of district attorney to become  
14 a member of this System if he or she is not currently  
15 participating in a county retirement system. Provided  
16 further, that if an officer, appointee or employee of  
17 the office of district attorney is currently  
18 participating in such county retirement system, he or  
19 she is ineligible for this System as long as he or she  
20 is eligible for such county retirement system. Any  
21 eligible officer, appointee or employee of the office  
22 of district attorney shall be given credit for prior  
23 service as defined in this section. The provisions  
24 outlined in Section 917 of this title shall apply to

1 those employees who have previously withdrawn their  
2 contributions.

3 (d) Eligibility shall also not include any officer or  
4 employee of the Oklahoma Employment Security  
5 Commission, except for those officers and employees of  
6 the Commission electing to transfer to this System  
7 pursuant to the provisions of Section 910.1 of this  
8 title or any other class of officers or employees  
9 specifically exempted by the laws of this state,  
10 unless there be a consolidation as provided by Section  
11 912 of this title. Employees of the Oklahoma  
12 Employment Security Commission who are ineligible for  
13 enrollment in the Employment Security Commission  
14 Retirement Plan, that was in effect on January 1,  
15 1964, shall become members of this System.

16 (e) Any employee employed by the Legislative Service  
17 Bureau, State Senate or House of Representatives for  
18 the full duration of a regular legislative session  
19 shall be eligible for membership in the System  
20 regardless of classification as a temporary employee  
21 and may participate in the System during the regular  
22 legislative session at the option of the employee.  
23 For purposes of this subparagraph, the determination  
24 of whether an employee is employed for the full



1 duration of a regular legislative session shall be  
2 made by the Legislative Service Bureau if such  
3 employee is employed by the Legislative Service  
4 Bureau, the State Senate if such employee is employed  
5 by the State Senate, or by the House of  
6 Representatives if such employee is employed by the  
7 House of Representatives. Each regular legislative  
8 session during which the legislative employee or an  
9 employee of the Legislative Service Bureau  
10 participates full time shall be counted as six (6)  
11 months of full-time participating service.

12 (i) Except as otherwise provided by this  
13 subparagraph, once a temporary session employee  
14 makes a choice to participate or not, the choice  
15 shall be binding for all future legislative  
16 sessions during which the employee is employed.

17 (ii) Notwithstanding the provisions of division (i) of  
18 this subparagraph, any employee, who is eligible  
19 for membership in the System because of the  
20 provisions of this subparagraph and who was  
21 employed by the State Senate or House of  
22 Representatives after January 1, 1989, may file  
23 an election, in a manner specified by the Board,  
24

1 to participate as a member of the System prior to  
2 September 1, 1989.

3 (iii) Notwithstanding the provisions of division (i) of  
4 this subparagraph, a temporary legislative  
5 session employee who elected to become a member  
6 of the System may withdraw from the System  
7 effective the day said employee elected to  
8 participate in the System upon written request to  
9 the Board. Any such request must be received by  
10 the Board prior to October 1, 1990. All employee  
11 contributions made by the temporary legislative  
12 session employee shall be returned to the  
13 employee without interest within four (4) months  
14 of receipt of the written request.

15 (iv) A member of the System who did not initially  
16 elect to participate as a member of the System  
17 pursuant to this subparagraph shall be able to  
18 acquire service performed as a temporary  
19 legislative session employee for periods of  
20 service performed prior to the date upon which  
21 the person became a member of the System if:  
22 a. the member files an election with the System  
23 not later than December 31, 2000, to  
24 purchase the prior service; and

1           b.    the member makes payment to the System of  
2                    the actuarial cost of the service credit  
3                    pursuant to subsection A of Section 913.5 of  
4                    this title.  The provisions of Section 913.5  
5                    of this title shall be applicable to the  
6                    purchase of the service credit, including  
7                    the provisions for determining service  
8                    credit in the event of incomplete payment  
9                    due to cessation of payments, death,  
10                    termination of employment or retirement, but  
11                    the payment may extend for a period not to  
12                    exceed ninety-six (96) months;

13           (15)  "Entry date" means the date on which an eligible employer  
14 joins the System.  The first entry date pursuant to Section 901 et  
15 seq. of this title shall be January 1, 1964;

16           (16)  "Executive Director" means the managing officer of the  
17 System employed by the Board under Section 901 et seq. of this  
18 title;

19           (17)  "Federal Internal Revenue Code" means the federal Internal  
20 Revenue Code of 1954 or 1986, as amended and as applicable to a  
21 governmental plan as in effect on July 1, 1999;

22           (18)  "Final average compensation" means the average annual  
23 compensation, including amounts deferred under deferred compensation  
24 agreements entered into between a member and a participating

1 employer, up to, but not exceeding the maximum compensation levels  
2 as provided in paragraph (9) of this section received during the  
3 highest three (3) of the last ten (10) years of participating  
4 service immediately preceding retirement or termination of  
5 employment and with respect to members whose first participating  
6 service occurs on or after July 1, 2013, the compensation received  
7 during the highest five (5) of the last ten (10) years of  
8 participating service immediately preceding retirement or  
9 termination of employment. Provided, no member shall retire with a  
10 final average compensation unless the member has made the required  
11 contributions on such compensation, as defined by the Board of  
12 Trustees;

13 (19) "Fiscal year" means the period commencing July 1 of any  
14 year and ending June 30 of the next year. The fiscal year is the  
15 plan year for purposes of the federal Internal Revenue Code;  
16 however, the calendar year is the limitation year for purposes of  
17 Section 415 of the federal Internal Revenue Code;

18 (20) "Fund" means the Oklahoma Public Employees Retirement Fund  
19 as created by Section 901 et seq. of this title;

20 (21) "Leave of absence" means a period of absence from  
21 employment without pay, authorized and approved by the employer and  
22 acknowledged to the Board, and which after the effective date does  
23 not exceed two (2) years;

24

1 (22) "Member" means an eligible employee or elected official  
2 who is in the System and is making the required employee or elected  
3 official contributions, or any former employee or elected official  
4 who shall have made the required contributions to the System and  
5 shall have not received a refund or withdrawal;

6 (23) "Military service" means service in the Armed Forces of  
7 the United States by an honorably discharged person during the  
8 following time periods, as reflected on such person's Defense  
9 Department Form 214, not to exceed five (5) years for combined  
10 participating and/or prior service, as follows:

11 (a) during the following periods, including the beginning  
12 and ending dates, and only for the periods served,  
13 from:

14 (i) April 6, 1917, to November 11, 1918, commonly  
15 referred to as World War I,

16 (ii) September 16, 1940, to December 7, 1941, as a  
17 member of the 45th Division,

18 (iii) December 7, 1941, to December 31, 1946, commonly  
19 referred to as World War II,

20 (iv) June 27, 1950, to January 31, 1955, commonly  
21 referred to as the Korean Conflict or the Korean  
22 War,

23 (v) February 28, 1961, to May 7, 1975, commonly  
24 referred to as the Vietnam era, except that:

- 1           a.    for the period from February 28, 1961, to  
2                    August 4, 1964, military service shall only  
3                    include service in the Republic of Vietnam  
4                    during that period, and
- 5           b.    for purposes of determining eligibility for  
6                    education and training benefits, such period  
7                    shall end on December 31, 1976, or
- 8           (vi) August 1, 1990, to December 31, 1991, commonly  
9                    referred to as the Gulf War, the Persian Gulf  
10                    War, or Operation Desert Storm, but excluding any  
11                    person who served on active duty for training  
12                    only, unless discharged from such active duty for  
13                    a service-connected disability;
- 14           (b) during a period of war or combat military operation  
15                    other than a conflict, war or era listed in  
16                    subparagraph (a) of this paragraph, beginning on the  
17                    date of Congressional authorization, Congressional  
18                    resolution, or Executive Order of the President of the  
19                    United States, for the use of the Armed Forces of the  
20                    United States in a war or combat military operation,  
21                    if such war or combat military operation lasted for a  
22                    period of ninety (90) days or more, for a person who  
23                    served, and only for the period served, in the area of  
24                    responsibility of the war or combat military

1 operation, but excluding a person who served on active  
2 duty for training only, unless discharged from such  
3 active duty for a service-connected disability, and  
4 provided that the burden of proof of military service  
5 during this period shall be with the member, who must  
6 present appropriate documentation establishing such  
7 service.

8 An eligible member under this paragraph shall include only those  
9 persons who shall have served during the times or in the areas  
10 prescribed in this paragraph, and only if such person provides  
11 appropriate documentation in such time and manner as required by the  
12 System to establish such military service prescribed in this  
13 paragraph, or for service pursuant to subdivision a of division (v)  
14 of subparagraph (a) of this paragraph those persons who were awarded  
15 service medals, as authorized by the United States Department of  
16 Defense as reflected in the veteran's Defense Department Form 214,  
17 related to the Vietnam Conflict for service prior to August 5, 1964;

18 (24) "Normal retirement date" means the date on which a member  
19 may retire with full retirement benefits as provided in Section 901  
20 et seq. of this title, such date being whichever occurs first:

- 21 (a) the first day of the month coinciding with or  
22 following a member's:  
23  
24

1 (1) sixty-second birthday with respect to members  
2 whose first participating service occurs prior to  
3 November 1, 2011, or

4 (2) sixty-fifth birthday with respect to members  
5 whose first participating service occurs on or  
6 after November 1, 2011, or with respect to  
7 members whose first participating service occurs  
8 on or after November 1, 2011, reaches a minimum  
9 age of sixty (60) years and who also reaches a  
10 normal retirement date pursuant to subparagraph c  
11 of this paragraph,

12 (b) for any person who initially became a member prior to  
13 July 1, 1992, and who does not reach a normal  
14 retirement date pursuant to division (1) of  
15 subparagraph (a) of this paragraph, the first day of  
16 the month coinciding with or following the date at  
17 which the sum of a member's age and number of years of  
18 credited service total eighty (80); such a normal  
19 retirement date will also apply to any person who  
20 became a member of the sending system as defined in  
21 Section 901 et seq. of this title, prior to July 1,  
22 1992, regardless of whether there were breaks in  
23 service after July 1, 1992,  
24



1 (c) for any person who became a member after June 30,  
2 1992, but prior to November 1, 2011, and who does not  
3 reach a normal retirement date pursuant to division  
4 (1) of subparagraph (a) of this paragraph, the first  
5 day of the month coinciding with or following the date  
6 at which the sum of a member's age and number of years  
7 of credited service total ninety (90),

8 (d) in addition to subparagraphs (a), (b) and (c) of this  
9 paragraph, the first day of the month coinciding with  
10 or following a member's completion of at least twenty  
11 (20) years of full-time-equivalent employment as:

12 (i) a correctional or probation and parole officer  
13 with the Department of Corrections and at the  
14 time of retirement, the member was a correctional  
15 or probation and parole officer with the  
16 Department of Corrections, or

17 (ii) a correctional officer, probation and parole  
18 officer or fugitive apprehension agent with the  
19 Department of Corrections who is in such position  
20 on June 30, 2004, or who is hired after June 30,  
21 2004, and who receives a promotion or change in  
22 job classification after June 30, 2004, to  
23 another position in the Department of  
24 Corrections, so long as such officer or agent has

1 at least five (5) years of service as a  
2 correctional officer, probation and parole  
3 officer or fugitive apprehension agent with the  
4 Department, has twenty (20) years of full-time-  
5 equivalent employment with the Department and was  
6 employed by the Department at the time of  
7 retirement, or

8 (iii) a firefighter with the Oklahoma Military  
9 Department either employed for the first time on  
10 or after July 1, 2002, or who was employed prior  
11 to July 1, 2002, in such position and who makes  
12 the election authorized by division (2) of  
13 subparagraph b of paragraph (9) of subsection A  
14 of Section 915 of this title and at the time of  
15 retirement, the member was a firefighter with the  
16 Oklahoma Military Department, and such member has  
17 at least twenty (20) years of credited service  
18 upon which the two and one-half percent (2 1/2%)  
19 multiplier will be used in calculating the  
20 retirement benefit, or

21 (iv) a public safety officer employed by the Grand  
22 River Dam Authority for the first time on or  
23 after July 1, 2016, or  
24

1 (v) a deputy sheriff or jailer employed by any county  
2 that is a participating employer in the System  
3 for the first time as a deputy sheriff or jailer  
4 on or after November 1, 2020, or

5 (vi) emergency medical service personnel employed for  
6 the first time on or after November 1, 2021,

7 (e) for those fugitive apprehension agents who retire on  
8 or after July 1, 2002, the first day of the month  
9 coinciding with or following a member's completion of  
10 at least twenty (20) years of full-time-equivalent  
11 employment as a fugitive apprehension agent with the  
12 Department of Corrections and at the time of  
13 retirement, the member was a fugitive apprehension  
14 agent with the Department of Corrections, or

15 (f) for any member who was continuously employed by an  
16 entity or institution within The Oklahoma State System  
17 of Higher Education and whose initial employment with  
18 such entity or institution was prior to July 1, 1992,  
19 and who without a break in service of more than thirty  
20 (30) days became employed by an employer participating  
21 in the Oklahoma Public Employees Retirement System,  
22 the first day of the month coinciding with or  
23 following the date at which the sum of the member's  
24

1           age and number of years of credited service total  
2           eighty (80);

3           (25) "Participating employer" means an eligible employer who  
4 has agreed to make contributions to the System on behalf of its  
5 employees;

6           (26) "Participating service" means the period of employment  
7 after the entry date for which credit is granted a member;

8           (27) "Prior service" means the period of employment of a member  
9 by an eligible employer prior to the member's entry date for which  
10 credit is granted a member under Section 901 et seq. of this title;

11           (28) "Retirant" or "retiree" means a member who has retired  
12 under the System;

13           (29) "Retirement benefit" means a monthly income with benefits  
14 accruing from the first day of the month coinciding with or  
15 following retirement and ending on the last day of the month in  
16 which death occurs or the actuarial equivalent thereof paid in such  
17 manner as specified by the member pursuant to Section 901 et seq. of  
18 this title or as otherwise allowed to be paid at the discretion of  
19 the Board;

20           (30) "Retirement coordinator" means the individual designated  
21 by each participating employer through whom System transactions and  
22 communication shall be directed;

23           (31) "Social Security" means the old-age survivors and  
24 disability section of the Federal Social Security Act;

1 (32) "Total disability" means a physical or mental disability  
2 accepted for disability benefits by the Federal Social Security  
3 System;

4 (33) "Service-connected disability benefits" means military  
5 service benefits which are for a service-connected disability rated  
6 at twenty percent (20%) or more by the Veterans Administration or  
7 the Armed Forces of the United States;

8 (34) "Elected official" means a person elected to a state  
9 office in the legislative or executive branch of state government or  
10 a person elected to a county office for a definite number of years  
11 and shall include an individual who is appointed to fill the  
12 unexpired term of an elected state official;

13 (35) "Elected service" means the period of service as an  
14 elected official;

15 (36) "Limitation year" means the year used in applying the  
16 limitations of Section 415 of the Internal Revenue Code of 1986,  
17 which year shall be the calendar year; and

18 (37) "Public safety officers of the Grand River Dam Authority"  
19 means those persons hired by the Grand River Dam Authority on or  
20 after the effective date of this act who are certified by the  
21 Council on Law Enforcement Education and Training or an equivalent  
22 certifying entity for law enforcement personnel training and who  
23 perform law enforcement functions as part of their regularly  
24 assigned duties and responsibilities on a full-time basis. With

1 respect to any public safety officer hired by the Grand River Dam  
2 Authority on or after the effective date of this act, any earned  
3 benefits or credits toward retirement benefits from previous  
4 participation within the Oklahoma Public Employees Retirement System  
5 or the Oklahoma Law Enforcement Retirement System shall remain  
6 within that system.

7 SECTION 3. AMENDATORY 74 O.S. 2011, Section 919.1, as  
8 last amended by Section 4, Chapter 112, O.S.L. 2020 (74 O.S. Supp.  
9 2020, Section 919.1), is amended to read as follows:

10 Section 919.1 (1) Employee contributions to the System shall  
11 be:

12 (a) for employees except as otherwise provided in  
13 paragraphs (b), (c), (d), (e), (f) ~~and~~, (g) and (h) of  
14 this subsection: beginning July 1, 2006, and  
15 thereafter, three and one-half percent (3.5%) of  
16 allowable annual compensation;

17 (b) for correctional officers and probation and parole  
18 officers employed by the Department of Corrections:  
19 beginning July 1, 1998, and thereafter, and for  
20 correctional officers or probation and parole officers  
21 who are in such position on June 30, 2004, or who are  
22 hired after June 30, 2004, and who receive a promotion  
23 or change in job classification after June 30, 2004,  
24 to another position in the Department of Corrections,

1 so long as such officers have at least five (5) years  
2 of service as a correctional officer or probation and  
3 parole officer, eight percent (8%) of allowable  
4 compensation as provided in paragraph (9) of Section  
5 902 of this title;

6 (c) for fugitive apprehension agents who are employed with  
7 the Department of Corrections on or after July 1,  
8 2002, and for fugitive apprehension agents who are in  
9 such position on June 30, 2004, or who are hired after  
10 June 30, 2004, and who receive a promotion or change  
11 in job classification after June 30, 2004, to another  
12 position in the Department of Corrections, so long as  
13 such agents have at least five (5) years of service as  
14 a fugitive apprehension agent, eight percent (8%) of  
15 allowable compensation as provided in paragraph (9) of  
16 Section 902 of this title;

17 (d) for firefighters of the Oklahoma Military Department  
18 first employed beginning July 1, 2002, and thereafter,  
19 and such firefighters who performed service prior to  
20 July 1, 2002, for the Oklahoma Military Department and  
21 who make the election authorized by division (1) of  
22 subparagraph b of paragraph (9) of subsection A of  
23 Section 915 of this title who perform service on or  
24 after July 1, 2002, in such capacity, eight percent

1 (8%) of allowable compensation as provided in  
2 ~~subsection~~ paragraph (9) of Section 902 of this title;

3 (e) for all public safety officers of the Grand River Dam  
4 Authority as defined by paragraph (37) of Section 902  
5 of this title, eight percent (8%) of allowable  
6 compensation as provided in paragraph (9) of Section  
7 902 of this title;

8 (f) for deputy sheriffs and county jailers employed by any  
9 county that is a participating employer in the System  
10 for the first time as a deputy sheriff or jailer on or  
11 after November 1, 2020, eight percent (8%) of  
12 allowable compensation as provided in paragraph (9) of  
13 Section 902 of this title; ~~and~~

14 (g) for emergency medical service personnel employed for  
15 the first time on or after November 1, 2021, eight  
16 percent (8%) of allowable compensation as provided in  
17 paragraph (9) of Section 902 of this title; and

18 (h) for all employees except those who make contributions  
19 pursuant to paragraphs (b), (c), (d), (e) ~~and~~, (f) and  
20 (g) of this subsection who make an irrevocable written  
21 election pursuant to paragraph (2) of subsection A of  
22 Section 915 of this title: six and forty-one one-  
23 hundredths percent (6.41%) of allowable annual  
24 compensation.



1       The contributions required by paragraphs (b), (c), (e), ~~and~~ (f)  
2 and (g) of this subsection shall be made by a member for not more  
3 than twenty (20) years and thereafter shall be as provided in  
4 paragraph (a) of this subsection.

5       (2) Contributions shall be deducted by each state agency by the  
6 participating employer for such benefits as the Board is authorized  
7 to administer as provided for by law. Employee and employer  
8 contributions shall be remitted monthly, or as the Board may  
9 otherwise provide, to the Executive Director for deposit in the  
10 Oklahoma Public Employees Retirement Fund.

11       (3) Each participating employer shall pick up under the  
12 provisions of Section 414(h)(2) of the Internal Revenue Code of 1986  
13 and pay the contribution which the member is required by law to make  
14 to the System for all compensation earned after December 31, 1988.  
15 Although the contributions so picked up are designated as member  
16 contributions, such contributions shall be treated as contributions  
17 being paid by the participating employer in lieu of contributions by  
18 the member in determining tax treatment under the Internal Revenue  
19 Code of 1986 and such picked up contributions shall not be  
20 includable in the gross income of the member until such amounts are  
21 distributed or made available to the member or the beneficiary of  
22 the member. The member, by the terms of this System, shall not have  
23 any option to choose to receive the contributions so picked up  
24

1 directly and the picked up contributions must be paid by the  
2 participating employer to the System.

3 Member contributions which are picked up shall be treated in the  
4 same manner and to the same extent as member contributions made  
5 prior to the date on which member contributions were picked up by  
6 the participating employer. Member contributions so picked up shall  
7 be included in gross salary for purposes of determining benefits and  
8 contributions under the System.

9 The participating employer shall pay the member contributions  
10 from the same source of funds used in paying salary to the member,  
11 by effecting an equal cash reduction in gross salary of the member.

12 (4) By September 1, 1989, the System shall refund the  
13 accumulated employee contributions of any member who elects to  
14 retain the member's membership in the Teachers' Retirement System of  
15 Oklahoma, in accordance with Section 17-104 of Title 70 of the  
16 Oklahoma Statutes, to such member. Upon the refund of the  
17 accumulated employee contributions referred to in this subsection,  
18 all benefits and rights accrued to such member are terminated.

19 SECTION 4. Section 1 of this act shall become effective October  
20 1, 2021.

21 SECTION 5. Sections 2 and 3 of this act shall become effective  
22 November 1, 2021.

23

24 58-1-7257 MAH 01/21/21

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January 21, 2021

Representative Avery Frix  
Room 405.1

Re: RBH No. 7257

RBH No. 7257 changes the benefit formula to the emergency service personnel formula contained in OPERS for emergency service personnel hired on or after 11/01/2021.

The bill also amends OPLAAA's definition on a nonfiscal bill to include the above change.

RBH No. 7257 is a non fiscal bill as defined by OPLAAA with the amendment.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA