

SENATE FLOOR VERSION

April 12, 2023

ENGROSSED HOUSE
BILL NO. 2171By: Hilbert, Fugate, Deck, and
Rosecrants of the House

and

Montgomery and Pemberton of
the Senate

[public retirement systems - retirement benefit
distribution - codification - effective dates -
emergency]

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as
amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2022,
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
Senate, any conference committee of the House or Senate or by the
House or Senate;

2. "RB number" means that number preceded by the letters "RB"
assigned to a retirement bill by the respective staffs of the
Oklahoma State Senate and the Oklahoma House of Representatives when

1 the respective staff office prepares a retirement bill for a member
2 of the Legislature;

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

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

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

13 a. which does not affect the cost or funding factors of a
14 retirement system,

15 b. which affects such factors only in a manner which does
16 not:

17 (1) grant a benefit increase under the retirement
18 system affected by the bill,

19 (2) create an actuarial accrued liability for or
20 increase the actuarial accrued liability of the
21 retirement system affected by the bill, or

22 (3) increase the normal cost of the retirement system
23 affected by the bill,
24

- 1 c. which authorizes the purchase by an active member of
2 the retirement system, at the actuarial cost for the
3 purchase as computed pursuant to the statute in effect
4 on the effective date of the measure allowing such
5 purchase, of years of service for purposes of reaching
6 a normal retirement date in the applicable retirement
7 system, but which cannot be used in order to compute
8 the number of years of service for purposes of
9 computing the retirement benefit for the member,
- 10 d. which provides for the computation of a service-
11 connected disability retirement benefit for members of
12 the Oklahoma Law Enforcement Retirement System
13 pursuant to Section 2-305 of Title 47 of the Oklahoma
14 Statutes if the members were unable to complete twenty
15 (20) years of service as a result of the disability,
- 16 e. which requires membership in the defined benefit plan
17 authorized by Section 901 et seq. of Title 74 of the
18 Oklahoma Statutes for persons whose first elected or
19 appointed service occurs on or after November 1, 2018,
20 if such persons had any prior service in the Oklahoma
21 Public Employees Retirement System prior to November
22 1, 2015,
- 23 f. which provides for a one-time increase in retirement
24 benefits if the increase in retirement benefits is not

1 a permanent increase in the gross annual retirement
2 benefit payable to a member or beneficiary, occurs
3 only once pursuant to a single statutory authorization
4 and does not exceed:

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

13 (2) the lesser of two percent (2%) of the gross
14 annual retirement benefit of the member or One
15 Thousand Two Hundred Dollars (\$1,200.00) and
16 requires that the benefit may only be provided if
17 the funded ratio of the affected retirement
18 system would be greater than eighty percent (80%)
19 but not greater than one hundred percent (100%)
20 after the benefit increase is paid,

21 (3) the lesser of two percent (2%) of the gross
22 annual retirement benefit of the member or One
23 Thousand Four Hundred Dollars (\$1,400.00) and
24 requires that the benefit may only be provided if

1 the funded ratio of the affected retirement
2 system would be greater than one hundred percent
3 (100%) after the benefit increase is paid, or
4 (4) the greater of two percent (2%) of the gross
5 annual retirement benefit of the volunteer
6 firefighter or One Hundred Dollars (\$100.00) for
7 persons who retired from the Oklahoma
8 Firefighters Pension and Retirement System as
9 volunteer firefighters and who did not retire
10 from the Oklahoma Firefighters Pension and
11 Retirement System as a paid firefighter.

12 As used in this subparagraph, "funded ratio" means the
13 figure derived by dividing the actuarial value of
14 assets of the applicable retirement system by the
15 actuarial accrued liability of the applicable
16 retirement system,

17 g. which modifies the disability pension standard for
18 police officers who are members of the Oklahoma Police
19 Pension and Retirement System as provided by Section ~~3~~
20 50-115 of ~~this act~~ Title 11 of the Oklahoma Statutes,

21 h. which provides a cost-of-living benefit increase
22 pursuant to the provisions of:

23 (1) Section 49-143.7 of Title 11 of the Oklahoma
24 Statutes,

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

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

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

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

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

i. which modifies the computation of the line-of-duty disability benefit pursuant to the provisions of this act, or

j. which provides a retirement benefit distribution pursuant to the provisions of this act.

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

6. "Reduction-in-cost amendment" means an amendment to a retirement bill having a fiscal impact which reduces the cost of the

1 bill as such cost is determined by the actuarial investigation for
2 the bill prepared pursuant to Section 3109 of this title;

3 7. "Retirement bill" means any bill or joint resolution
4 introduced or any bill or joint resolution amended by a member of
5 the Oklahoma Legislature which creates or amends any law directly
6 affecting a retirement system. A retirement bill shall not mean a
7 bill or resolution that impacts the revenue of any state tax in
8 which a portion of the revenue generated from such tax is earmarked
9 for the benefit of a retirement system;

10 8. "Retirement bill having a fiscal impact" means any
11 retirement bill creating or establishing a retirement system and any
12 other retirement bill other than a nonfiscal retirement bill; and

13 9. "Retirement system" means the Teachers' Retirement System of
14 Oklahoma, the Oklahoma Public Employees Retirement System, the
15 Uniform Retirement System for Justices and Judges, the Oklahoma
16 Firefighters Pension and Retirement System, the Oklahoma Police
17 Pension and Retirement System, the Oklahoma Law Enforcement
18 Retirement System, or a retirement system established after January
19 1, 2006.

20 SECTION 2. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 49-143.8 of Title 11, unless
22 there is created a duplication in numbering, reads as follows:
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1 The board of trustees of the Oklahoma Firefighters Pension and
2 Retirement System shall provide a one-time retirement benefit
3 distribution subject to the following conditions:

4 1. The retirement benefit increase may only be provided to a
5 member of the System who has been retired for two (2) or more years
6 as of the effective date of the benefit increase;

7 2. The retirement benefit increase for members receiving a
8 benefit pursuant to Section 49-106 of Title 11 of the Oklahoma
9 Statutes shall be One Thousand Five Hundred Dollars (\$1,500.00) or
10 greater but shall not exceed Three Thousand Two Hundred Dollars
11 (\$3,200.00). Provided, however, that retired members receiving a
12 benefit pursuant to Section 49-106 of Title 11 of the Oklahoma
13 Statutes who are seventy-five (75) years of age or older shall
14 receive Five Hundred Dollars (\$500.00), which shall not be included
15 in the benefit amount limitation, in addition to the retirement
16 benefit increase to be calculated pursuant to paragraph 4 of this
17 section. The retirement benefit increase for members receiving a
18 benefit pursuant to Section 49-101 of Title 11 of the Oklahoma
19 Statutes shall be One Hundred Fifty Dollars (\$150.00);

20 3. The retirement benefit increase shall not be a modification
21 of the final average compensation used in order to compute the
22 retirement benefit of the member; and

23 4. The retirement benefit increase may only be computed by
24 using the then-applicable gross annual retirement benefit for the

1 member divided by the whole number twelve (12). The resulting
2 amount may be paid to the retired member in addition to the
3 retirement benefits otherwise payable to the member.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 50-136.10 of Title 11, unless
6 there is created a duplication in numbering, reads as follows:

7 The board of trustees of the Oklahoma Police Pension and
8 Retirement System shall provide a one-time retirement benefit
9 distribution subject to the following conditions:

10 1. The retirement benefit increase may only be provided to a
11 member of the System who has been retired for two (2) or more years
12 as of the effective date of the benefit increase;

13 2. The retirement benefit increase shall be One Thousand Five
14 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
15 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
16 retired members who are seventy-five (75) years of age or older
17 shall receive Five Hundred Dollars (\$500.00), which shall not be
18 included in the benefit amount limitation, in addition to the
19 retirement benefit increase to be calculated pursuant to paragraph 4
20 of this section;

21 3. The retirement benefit increase shall not be a modification
22 of the final average compensation used in order to compute the
23 retirement benefit of the member; and
24

1 4. The retirement benefit increase may only be computed by
2 using the then-applicable gross annual retirement benefit for the
3 member divided by the whole number twelve (12). The resulting
4 amount may be paid to the retired member in addition to the
5 retirement benefits otherwise payable to the member.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 1104L of Title 20, unless there
8 is created a duplication in numbering, reads as follows:

9 The board of trustees of the Uniform Retirement System for
10 Justices and Judges shall provide a one-time retirement benefit
11 distribution subject to the following conditions:

12 1. The retirement benefit increase may only be provided to a
13 member of the System who has been retired for two (2) or more years
14 as of the effective date of the benefit increase;

15 2. The retirement benefit increase shall be One Thousand Five
16 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
17 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
18 retired members who are seventy-five (75) years of age or older
19 shall receive Five Hundred Dollars (\$500.00), which shall not be
20 included in the benefit amount limitation, in addition to the
21 retirement benefit increase to be calculated pursuant to paragraph 4
22 of this section;

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1 3. The retirement benefit increase shall not be a modification
2 of the final average compensation used in order to compute the
3 retirement benefit of the member; and

4 4. The retirement benefit increase may only be computed by
5 using the then-applicable gross annual retirement benefit for the
6 member divided by the whole number twelve (12). The resulting
7 amount may be paid to the retired member in addition to the
8 retirement benefits otherwise payable to the member.

9 SECTION 5. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2-305.13 of Title 47, unless
11 there is created a duplication in numbering, reads as follows:

12 The board of trustees of the Oklahoma Law Enforcement Retirement
13 System shall provide a one-time retirement benefit distribution
14 subject to the following conditions:

15 1. The retirement benefit increase may only be provided to a
16 member of the System who has been retired for two (2) or more years
17 as of the effective date of the benefit increase;

18 2. The retirement benefit increase shall be One Thousand Five
19 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
20 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
21 retired members who are seventy-five (75) years of age or older
22 shall receive Five Hundred Dollars (\$500.00), which shall not be
23 included in the benefit amount limitation, in addition to the
24

1 retirement benefit increase to be calculated pursuant to paragraph 4
2 of this section;

3 3. The retirement benefit increase shall not be a modification
4 of the final average compensation used in order to compute the
5 retirement benefit of the member; and

6 4. The retirement benefit increase may only be computed by
7 using the then-applicable gross annual retirement benefit for the
8 member divided by the whole number twelve (12). The resulting
9 amount may be paid to the retired member in addition to the
10 retirement benefits otherwise payable to the member.

11 SECTION 6. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 17-116.23 of Title 70, unless
13 there is created a duplication in numbering, reads as follows:

14 The board of trustees of the Teachers' Retirement System of
15 Oklahoma shall provide a one-time retirement benefit distribution
16 subject to the following conditions:

17 1. The retirement benefit increase may only be provided to a
18 member of the System who has been retired for two (2) or more years
19 as of the effective date of the benefit increase;

20 2. The retirement benefit increase shall be One Thousand Five
21 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
22 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
23 retired members who are seventy-five (75) years of age or older
24 shall receive Five Hundred Dollars (\$500.00), which shall not be

1 included in the benefit amount limitation, in addition to the
2 retirement benefit increase to be calculated pursuant to paragraph 4
3 of this section;

4 3. The retirement benefit increase shall not be a modification
5 of the final average compensation used in order to compute the
6 retirement benefit of the member; and

7 4. The retirement benefit increase may only be computed by
8 using the then-applicable gross annual retirement benefit for the
9 member divided by the whole number twelve (12). The resulting
10 amount may be paid to the retired member in addition to the
11 retirement benefits otherwise payable to the member.

12 SECTION 7. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 930.12 of Title 74, unless there
14 is created a duplication in numbering, reads as follows:

15 The board of trustees of the Oklahoma Public Employees
16 Retirement System shall provide a one-time retirement benefit
17 distribution subject to the following conditions:

18 1. The retirement benefit increase may only be provided to a
19 member of the System who has been retired for two (2) or more years
20 as of the effective date of the benefit increase;

21 2. The retirement benefit increase shall be One Thousand Five
22 Hundred Dollars (\$1,500.00) or greater but shall not exceed Three
23 Thousand Two Hundred Dollars (\$3,200.00). Provided, however, that
24 retired members who are seventy-five (75) years of age or older

1 shall receive Five Hundred Dollars (\$500.00), which shall not be
2 included in the benefit amount limitation, in addition to the
3 retirement benefit increase to be calculated pursuant to paragraph 4
4 of this section;

5 3. The retirement benefit increase shall not be a modification
6 of the final average compensation used in order to compute the
7 retirement benefit of the member; and

8 4. The retirement benefit increase may only be computed by
9 using the then-applicable gross annual retirement benefit for the
10 member divided by the whole number twelve (12). The resulting
11 amount may be paid to the retired member in addition to the
12 retirement benefits otherwise payable to the member.

13 SECTION 8. If the Emergency Clause is not approved pursuant to
14 the requirements of the Oklahoma Constitution as part of this
15 measure, the effective date of Section 1 of this act shall be
16 October 1, 2023.

17 SECTION 9. If the Emergency Clause is not approved pursuant to
18 the requirements of the Oklahoma Constitution as part of this
19 measure, the effective date of Sections 2 through 7 of this act
20 shall be November 1, 2023.

21 SECTION 10. Except as otherwise provided by Section 8 of this
22 act, Section 1 of this act shall become effective immediately upon
23 signature by the Governor or as otherwise provided by Section 58 of
24 Article V of the Oklahoma Constitution.

1 SECTION 11. Except as otherwise provided by Section 9 of this
2 act, Sections 2 through 7 of this act shall become effective July 1,
3 2023.

4 SECTION 12. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
9 April 12, 2023 - DO PASS
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