

SENATE FLOOR VERSION

February 20, 2024

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 453

By: Garvin

An Act relating to the Oklahoma Firefighters Pension and Retirement System; amending 11 O.S. 2021, Sections 49-101 and 49-101.2, as amended by Sections 3 and 4, Chapter 232, O.S.L. 2022 (11 O.S. Supp. 2023, Sections 49-101 and 49-101.2), which relate to volunteer firefighter pension amounts; modifying volunteer firefighter pension amount; modifying compensation determination; amending 62 O.S. 2021, Section 3103, as last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2023, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; updating statutory language; updating statutory references; providing effective dates; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 49-101, as amended by Section 3, Chapter 232, O.S.L. 2022 (11 O.S. Supp. 2023, Section 49-101), is amended to read as follows:

Section 49-101. A. All retired volunteer firefighters who qualify for retirement shall be entitled to a monthly pension. The monthly pension of a volunteer firefighter who retires prior to the effective date of this act shall be in the amount retired volunteer

1 firefighters are receiving at the time the volunteer firefighter
2 begins to receive a pension for each year of credited service not to
3 exceed thirty (30) years. Volunteer firefighters who retire on and
4 after the effective date of this act shall receive a monthly pension
5 in the amount of Ten Dollars (\$10.00) for each year of credited
6 service not to exceed thirty (30) years. In determining the number
7 of years of credited service, a fractional year of six (6) months or
8 more shall be counted as one (1) full year and a fractional year of
9 less than six (6) months shall not be counted in such determination.
10 Retired volunteer firefighters of a municipality shall receive a
11 pension of not less than that which retired volunteer firefighters
12 of such municipality were receiving on June 30, 1985.

13 B. A volunteer firefighter who terminates service after
14 completing ten (10) years of credited service, but less than twenty
15 (20) years of credited service, shall be entitled to receive a
16 vested benefit commencing on the date the firefighter reaches fifty
17 (50) years of age or the date the firefighter would have had twenty
18 (20) years of credited service had the firefighter's service
19 continued uninterrupted, whichever is later. The monthly amount of
20 such retirement benefit shall be the amount being paid to volunteer
21 firefighters at the time the member vests multiplied by the number
22 of years of credited service. Credited service must be established
23 at the time of the volunteer firefighter's termination. If a
24 volunteer firefighter who terminated employment and elected, or was

1 eligible to elect, a vested benefit dies prior to being eligible to
2 receive benefits, the volunteer firefighter's beneficiary, as
3 defined in paragraph 16 of Section 49-100.1 of this title, shall be
4 entitled to the volunteer firefighter's normal monthly retirement
5 benefit on the date the deceased volunteer firefighter would have
6 been eligible to receive the benefit.

7 SECTION 2. AMENDATORY 11 O.S. 2021, Section 49-101.2, as
8 amended by Section 4, Chapter 232, O.S.L. 2022 (11 O.S. Supp. 2023,
9 Section 49-101.2), is amended to read as follows:

10 Section 49-101.2. Any member serving as an active volunteer
11 firefighter who receives annual compensation from the fire
12 department the firefighter is enrolled in as a member of the
13 Oklahoma Firefighters Pension and Retirement System for services
14 related to firefighting, other than reimbursement of expenses in
15 excess of ~~five and one-half (5 1/2) times the annual pension benefit~~
16 ~~paid by the System to a retired volunteer firefighter with twenty~~
17 ~~(20) years credited service~~ Nine Thousand Nine Hundred Thirty-nine
18 Dollars and sixty-nine cents (\$9,939.69), shall be considered a paid
19 firefighter and must meet the physical and agility requirements
20 pursuant to Section 49-116 of this title to continue as an active
21 member of the System. Credited service earned as a paid firefighter
22 pursuant to this section shall not be considered actual experience
23 as a paid firefighter for purposes of meeting the qualifications of
24 a paid fire chief as provided in Section 29-102 of this title. No

1 fire department of a participating municipality shall employ a
2 volunteer firefighter from another fire department to perform
3 services relating to firefighting for any compensation of any kind.

4 SECTION 3. AMENDATORY 62 O.S. 2021, Section 3103, as
5 last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.
6 2023, Section 3103), is amended to read as follows:

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

9 1. "Amendment" means any amendment, including a substitute
10 bill, made to a retirement bill by any committee of the House of
11 Representatives or Senate, any conference committee of the House or
12 Senate or by the House or Senate;

13 2. "RB number" means that number preceded by the letters "RB"
14 assigned to a retirement bill by the respective staffs of the
15 ~~Oklahoma State~~ Senate and the ~~Oklahoma~~ House of Representatives when
16 the respective staff office prepares a retirement bill for a member
17 of the Legislature;

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

23 4. "Nonfiscal amendment" means an amendment to a retirement
24 bill having a fiscal impact, which amendment does not change any

1 factor of an actuarial investigation specified in subsection A of
2 Section 3109 of this title;

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

4 a. which does not affect the cost or funding factors of a
5 retirement system,

6 b. which affects such factors only in a manner which does
7 not:

8 (1) grant a benefit increase under the retirement
9 system affected by the bill,

10 (2) create an actuarial accrued liability for or
11 increase the actuarial accrued liability of the
12 retirement system affected by the bill, or

13 (3) increase the normal cost of the retirement system
14 affected by the bill,

15 c. which authorizes the purchase by an active member of
16 the retirement system, at the actuarial cost for the
17 purchase as computed pursuant to the statute in effect
18 on the effective date of the measure allowing such
19 purchase, of years of service for purposes of reaching
20 a normal retirement date in the applicable retirement
21 system, but which cannot be used in order to compute
22 the number of years of service for purposes of
23 computing the retirement benefit for the member,
24

- 1 d. which provides for the computation of a service-
2 connected disability retirement benefit for members of
3 the Oklahoma Law Enforcement Retirement System
4 pursuant to Section 2-305 of Title 47 of the Oklahoma
5 Statutes if the members were unable to complete twenty
6 (20) years of service as a result of the disability,
- 7 e. which requires membership in the defined benefit plan
8 authorized by Section 901 et seq. of Title 74 of the
9 Oklahoma Statutes for persons whose first elected or
10 appointed service occurs on or after November 1, 2018,
11 if such persons had any prior service in the Oklahoma
12 Public Employees Retirement System prior to November
13 1, 2015,
- 14 f. which provides for a one-time increase in retirement
15 benefits if the increase in retirement benefits is not
16 a permanent increase in the gross annual retirement
17 benefit payable to a member or beneficiary, occurs
18 only once pursuant to a single statutory authorization
19 and does not exceed:
- 20 (1) the lesser of two percent (2%) of the gross
21 annual retirement benefit of the member or One
22 Thousand Dollars (\$1,000.00) and requires that
23 the benefit may only be provided if the funded
24 ratio of the affected retirement system would not

1 be less than sixty percent (60%) but not greater
2 than eighty percent (80%) after the benefit
3 increase is paid,

4 (2) the lesser of two percent (2%) of the gross
5 annual retirement benefit of the member or One
6 Thousand Two Hundred Dollars (\$1,200.00) 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 eighty percent (80%)
10 but not greater than one hundred percent (100%)
11 after the benefit increase is paid,

12 (3) the lesser of two percent (2%) of the gross
13 annual retirement benefit of the member or One
14 Thousand Four Hundred Dollars (\$1,400.00) and
15 requires that the benefit may only be provided if
16 the funded ratio of the affected retirement
17 system would be greater than one hundred percent
18 (100%) after the benefit increase is paid, or

19 (4) the greater of two percent (2%) of the gross
20 annual retirement benefit of the volunteer
21 firefighter or One Hundred Dollars (\$100.00) for
22 persons who retired from the Oklahoma
23 Firefighters Pension and Retirement System as
24 volunteer firefighters and who did not retire

1 from the Oklahoma Firefighters Pension and
2 Retirement System as a paid firefighter.

3 As used in this subparagraph, "funded ratio" means the
4 figure derived by dividing the actuarial value of
5 assets of the applicable retirement system by the
6 actuarial accrued liability of the applicable
7 retirement system,

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

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

15 (1) Section 49-143.7 of Title 11 of the Oklahoma
16 Statutes,

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

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

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

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

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

3 i. which modifies the computation of the line-of-duty
4 disability benefit pursuant to the provisions of this
5 ~~act~~ section and Sections 50-101 and 50-115 of Title 11
6 of the Oklahoma Statutes, or

7 j. which provides for a benefits increase for volunteer
8 firefighters pursuant to Sections 49-101 and 49-101.2
9 of Title 11 of the Oklahoma Statutes.

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

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

21 7. "Retirement bill" means any bill or joint resolution
22 introduced or any bill or joint resolution amended by a member of
23 the ~~Oklahoma~~ Legislature which creates or amends any law directly
24 affecting a retirement system. A retirement bill shall not mean a

1 bill or resolution that impacts the revenue of any state tax in
2 which a portion of the revenue generated from such tax is earmarked
3 for the benefit of a retirement system;

4 8. "Retirement bill having a fiscal impact" means any
5 retirement bill creating or establishing a retirement system and any
6 other retirement bill other than a nonfiscal retirement bill; and

7 9. "Retirement system" means the Teachers' Retirement System of
8 Oklahoma, the Oklahoma Public Employees Retirement System, the
9 Uniform Retirement System for Justices and Judges, the Oklahoma
10 Firefighters Pension and Retirement System, the Oklahoma Police
11 Pension and Retirement System, the Oklahoma Law Enforcement
12 Retirement System, or a retirement system established after January
13 1, 2006.

14 SECTION 4. Sections 1 and 2 of this act shall become effective
15 in accordance with the provisions of Section 58 of Article V of the
16 Oklahoma Constitution.

17 SECTION 5. Section 3 of this act shall become effective July 1,
18 2024.

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

23 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
24 February 20, 2024 - DO PASS AS AMENDED BY CS