

SENATE FLOOR VERSION

February 28, 2024

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COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 631

By: Garvin

[Oklahoma Law Enforcement Retirement System -
retirement and retirement pay - Oklahoma Pension
Legislation Actuarial Analysis Act - effective
dates -
emergency]

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 2-305, as
last amended by Section 9, Chapter 151, O.S.L. 2023 (47 O.S. Supp.
2023, Section 2-305), is amended to read as follows:

Section 2-305. A. Except as otherwise provided in this title,
at any time after attaining normal retirement date, any member of
the Oklahoma Law Enforcement Retirement System, upon application for
unreduced retirement benefits made and approved, may retire, and,
during the remainder of the member's lifetime, receive annual
retirement pay, payable in equal monthly payments, equal to two and
one-half percent (2 1/2%) of the final average salary times years of
credited service. If such retired member is reemployed by a state
agency in a position which is not covered by the System, such

1 retired member shall continue to receive in-service distributions
2 from the System. Prior to September 19, 2002, if such retired
3 member was reemployed by a state agency in a position which is
4 covered by the System, such member shall continue to receive in-
5 service distributions from the System and shall not accrue any
6 further credited service. If such a member is reemployed by a state
7 agency in a position which is covered by the System on or after
8 September 19, 2002, such member's monthly retirement payments shall
9 be suspended until such member retires and is not reemployed by a
10 state agency in a position which is covered by the System.

11 B. Beginning July 1, 1994, members who retired or were eligible
12 to retire prior to July 1, 1980, or their surviving spouses shall
13 receive annual retirement pay, payable in equal monthly payments,
14 equal to the greater of their current retirement pay, or two and
15 one-half percent (2 1/2%) of the actual paid gross salary being
16 currently paid to a highway patrol officer, at the time each such
17 monthly retirement payment is made, multiplied by the retired
18 member's years of credited service.

19 C. Except as otherwise provided by this subsection, members of
20 the System whose salary is set by statute who have retired after
21 completion of the mandatory twenty (20) years of service, and those
22 members with statutory salaries who retire after reaching the
23 mandatory twenty-year retirement shall receive an annual retirement
24

1 pay, payable in equal monthly installments, based upon the greater
2 of either:

3 1. The top base salary currently paid to the highest
4 nonsupervisory position in the participating agency at the time each
5 such monthly retirement payment is made, limited to the annual
6 salary limit of the Economic Growth and Tax Relief Reconciliation
7 Act of 2001, as described in paragraph 9 of Section 2-300 of this
8 title, multiplied by two and one-half percent (2 1/2%), multiplied
9 by the number of years of credited service and fraction thereof for
10 the following positions:

- 11 a. Oklahoma Highway Patrolman,
- 12 b. Communications Dispatcher,
- 13 c. Capitol Patrolman,
- 14 d. ~~Lake~~ Marine Enforcement Patrolman, and
- 15 e. Oklahoma State Bureau of Investigation - Special Agent
16 or Criminalist; or

17 2. The member's final average salary as set forth in paragraph
18 9 of Section 2-300 of this title, multiplied by two and one-half
19 percent (2 1/2%), and multiplied by the number of years of credited
20 service and fraction thereof.

21 No member of the System retired prior to July 1, 2002, shall
22 receive a benefit less than the amount the member is receiving as of
23 June 30, 2002.

24

1 The provisions of paragraph 1 of this subsection shall ~~not be~~
2 ~~applicable to any member whose first participating service with the~~
3 ~~System occurs on or after November 1, 2012, except for~~ include those
4 members who died in the performance of their duties pursuant to
5 Section 2-306 of this title.

6 D. Other members of the System whose retirement benefit is not
7 otherwise prescribed by this section who have retired after
8 completion of the mandatory twenty (20) years of service, and those
9 members who retire after reaching the mandatory twenty-year
10 retirement, shall receive an annual retirement pay, payable in equal
11 monthly payments, based upon the greater of either:

12 1. The actual average salary currently paid to the highest
13 nonsupervisory position in the participating agency at the time each
14 such monthly payment is made, limited to the annual salary limit of
15 the Economic Growth and Tax Relief Reconciliation Act of 2001, as
16 described in paragraph 9 of Section 2-300 of this title, multiplied
17 by two and one-half percent (2 1/2%), multiplied by the number of
18 years of credited service and fraction thereof for the following
19 positions:

20 a. Alcoholic Beverage Laws Enforcement Commission - ABLE
21 Commission Agent III,

22 b. Oklahoma State Bureau of Narcotics and Dangerous Drugs
23 Control - Narcotics Agent III,
24

- 1 c. Oklahoma Tourism and Recreation Department - Park
2 Ranger II,
3 d. State Board of Pharmacy - Pharmacy Inspector,
4 e. University of Oklahoma - Police Officer, and
5 f. Oklahoma State University - Police Officer; or

6 2. The other member's final average salary as set forth in
7 paragraph 9 of Section 2-300 of this title, multiplied by two and
8 one-half percent (2 1/2%), multiplied by the number of years of
9 credited service and fraction thereof.

10 No member of the System retired prior to July 1, 2002, shall
11 receive a benefit less than the amount the member is receiving as of
12 June 30, 2002. The participating employer must certify to the
13 System in writing the actual average gross salary currently paid to
14 the highest nonsupervisory position. The Board of Trustees shall
15 promulgate such rules as are necessary to implement the provisions
16 of this section.

17 The provisions of paragraph 1 of this subsection shall ~~not be~~
18 ~~applicable to any member whose first participating service with the~~
19 ~~System occurs on or after May 24, 2013, except for include those~~
20 members who died in the performance of their duties pursuant to
21 Section 2-306 of this title.

22 E. A member who meets the definition of disability as defined
23 in paragraph 11 of Section 2-300 of this title by direct reason of
24

1 the performance of the member's duties as an officer shall receive a
2 monthly benefit equal to:

3 1. Two and one-half percent (2 1/2%);

4 2. Multiplied by:

5 a. twenty (20) years of credited service, if the member
6 had performed less than twenty (20) years of credited
7 service, notwithstanding the actual number of years of
8 credited service performed by the member prior to the
9 date of disability, or

10 b. the actual number of years of credited service and
11 fraction thereof performed by the member prior to the
12 date of disability, if the member had performed twenty
13 (20) or more years of credited service;

14 3. Multiplied by the greater of subparagraph a of this
15 paragraph and division 1 of subparagraph b of this paragraph or
16 division 2 of subparagraph b of this paragraph, as applicable:

17 a. the final average salary of the member, as set forth
18 in paragraph 9 of Section 2-300 of this title, and

19 b. (1) the top base salary currently paid to the highest
20 nonsupervisory position in the participating
21 agency of the member at the time each monthly
22 payment is made, limited to the annual salary
23 limit of the Economic Growth and Tax Relief
24 Reconciliation Act of 2001 described in paragraph

1 9 of Section 2-300 of this title, for the
2 following positions:

- 3 (a) Oklahoma Highway Patrolman,
4 (b) Communications Dispatcher,
5 (c) Capitol Patrolman,
6 (d) ~~Lake~~ Marine Enforcement Patrolman, and
7 (e) Oklahoma State Bureau of Investigation -
8 Special Agent or Criminalist~~r~~.

9 Provided, the participating employer must certify to
10 the System in writing the top base salary
11 currently paid to the highest nonsupervisory
12 position for division (1) of subparagraph b of
13 this paragraph, or

- 14 (2) the actual average salary currently paid to the
15 highest nonsupervisory position in the
16 participating agency of the member at the time
17 each monthly payment is made, limited to the
18 annual salary limit of the Economic Growth and
19 Tax Relief Reconciliation Act of 2001, described
20 in paragraph 9 of Section 2-300 of this title,
21 for the following positions:

- 22 (a) Alcoholic Beverage Laws Enforcement (ABLE)
23 Commission - ABLE Commission Agent III,
24

1 (b) Oklahoma State Bureau of Narcotics and
2 Dangerous Drugs Control - Narcotics Agent
3 III,

4 (c) Oklahoma Tourism and Recreation Department -
5 Park Ranger II,

6 (d) State Board of Pharmacy - Pharmacy
7 Inspector,

8 (e) University of Oklahoma - Police Officer, and

9 (f) Oklahoma State University - Police Officer⁷.

10 Provided, the participating employer must certify to the System
11 in writing the actual average gross salary currently paid to the
12 highest nonsupervisory position for division (2) of subparagraph b
13 of this paragraph;

14 4. No member of the System receiving benefits prescribed by
15 this subsection who retired prior to July 1, 2002, shall receive a
16 benefit of less than the amount the member was receiving as of June
17 30, 2002;

18 5. The Board of Trustees shall promulgate rules as necessary to
19 implement the provisions of this subsection; and

20 6. If such member participates in the Oklahoma Law Enforcement
21 Deferred Option Plan pursuant to Section 2-305.2 of this title, then
22 such member's disability pension provided pursuant to this
23 subsection shall be reduced to account for such member's
24 participation in the Oklahoma Law Enforcement Deferred Option Plan.

1 F. A member who meets the definition of disability as defined
2 in paragraph 11 of Section 2-300 of this title and whose disability
3 is by means of personal and traumatic injury of a catastrophic
4 nature and in the line of duty, shall receive a monthly benefit
5 equal to:

6 1. Two and one-half percent (2 1/2%);

7 2. Multiplied by:

8 a. twenty (20) years of service, regardless of the actual
9 number of years of credited service performed by the
10 member prior to the date of disability, if the member
11 had performed less than twenty (20) years of service,
12 or

13 b. the actual number of years of service performed by the
14 member if the member had performed twenty (20) or more
15 years of service;

16 3. Multiplied by a final average salary equal to:

17 a. the salary which the member would have received
18 pursuant to statutory salary schedules in effect upon
19 the date of the disability for twenty (20) years of
20 service prior to disability. The final average salary
21 for a member who performed less than twenty (20) years
22 of service prior to disability shall be computed
23 assuming that the member was paid the highest salary
24 allowable pursuant to the law in effect at the time of

1 the member's disability based upon twenty (20) years
2 of service and with an assumption that the member was
3 eligible for any and all increases in pay based upon
4 rank during the entire period. If the salary of a
5 member is not prescribed by a specific salary schedule
6 upon the date of the member's disability, the final
7 average salary for the member shall be computed by the
8 member's actual final average salary or the highest
9 median salary amount for a member whose salary was
10 prescribed by a specific salary schedule upon the date
11 of the member's disability, whichever final average
12 salary amount would be greater, or

- 13 b. the actual final average salary of the member if the
14 member had performed twenty (20) or more years of
15 service prior to disability.

16 If such member participates in the Oklahoma Law Enforcement
17 Deferred Option Plan pursuant to Section 2-305.2 of this title, such
18 member's disability pension provided pursuant to this subsection
19 shall be adjusted as provided in Section 2-305.2 of this title to
20 account for such member's participation in the Oklahoma Law
21 Enforcement Deferred Option Plan.

22 G. A member who meets the definition of disability as defined
23 in Section 2-300 of this title and whose disability occurred prior
24 to the member's normal retirement date but after completing three

1 (3) years of vesting service and not by reason of the performance of
2 the member's duties or as a result of the member's willful
3 negligence shall receive a monthly benefit equal to two and one-half
4 percent (2 1/2%) of the final average salary multiplied by the
5 number of years of the member's credited service.

6 H. Payment of a disability pension shall commence as of the
7 first day of the month coinciding or next following the date of
8 retirement and shall continue as long as the member meets the
9 definition of total and permanent disability provided in this
10 section.

11 I. For the purpose of determining the member's disability under
12 subsection E, F or G of this section, the member shall be required
13 by the Board to be examined by a minimum of two recognized
14 physicians selected by the Board to determine the extent of the
15 member's injury or illness. The examining physicians shall furnish
16 the Board a detailed written report of the injury or illness of the
17 examined member establishing the extent of disability and the
18 possibilities of the disabled member being returned to his or her
19 regular duties or an alternate occupation or service covered by the
20 System after a normal recuperation period. The Board shall require
21 all retired disabled members who have not attained their normal
22 retirement date to submit to a physical examination once each year
23 for a minimum of three (3) years following retirement. The Board
24 shall select a minimum of two physicians to examine the retired

1 members and pay for their services from the fund. Any retired
2 disabled member found no longer disabled by the examining physicians
3 to perform the occupation of the member or an alternate occupation
4 or service covered by the System shall be required to return to duty
5 and complete twenty (20) years of service as provided in subsection
6 A of this section, or forfeit all his or her rights and claims under
7 Section 2-300 et seq. of this title.

8 J. The disability benefit under this section shall be for the
9 lifetime of the member unless such member is found no longer
10 disabled pursuant to subsection I of this section. Such member
11 shall not be entitled to the retirement benefit pursuant to
12 subsection A of this section unless such member returns to active
13 duty and is eligible for a retirement benefit as provided in
14 subsection A of this section.

15 K. At the postoffer, preemployment physical examination
16 required under paragraph 6 of Section 2-300 of this title, the
17 physician selected by the Board shall determine the extent to which
18 a new member is disabled. If a member is determined to be partially
19 disabled, the physician shall assign a percentage of disability to
20 such partial disability. If such member then becomes entitled to a
21 disability benefit under either subsection E or subsection G of this
22 section, the benefit payable shall be reduced by the percentage
23 which such member was determined to be disabled at the postoffer,
24 preemployment physical unless the Board makes a determination that

1 the initially determined percentage of disability at the
2 preemployment physical examination is unrelated to the reason for
3 the disability currently sought pursuant to subsection E or
4 subsection G of this section. Upon employment, the member shall
5 disclose to the Board any disability payments received from any
6 source. The amount of disability to be paid to any member cannot
7 exceed one hundred percent (100%) disability from all sources. The
8 provisions of this subsection shall apply only to members whose
9 effective date of membership is on or after July 1, 2000.

10 L. In addition to the pension provided for under subsection F
11 of this section, if the member has one or more children under the
12 age of eighteen (18) years or under the age of twenty-two (22) years
13 if the child is enrolled full-time in and is regularly attending a
14 public or private school or any institution of higher education,
15 Four Hundred Dollars (\$400.00) a month shall be paid from the Fund
16 for the support of each surviving child to the member or person
17 having the care and custody of such children until each child
18 reaches the age of eighteen (18) years or reaches the age of twenty-
19 two (22) years if the child is enrolled full-time in and is
20 regularly attending a public or private school or any institution of
21 higher education.

22 M. Notwithstanding any other provisions in Section 2-300
23 through 2-315 of this title, in order to be eligible to receive
24 disability benefits, a member who meets the definition of disability

1 as defined in paragraph 11 of Section 2-300 of this title shall file
2 the member's completed application for disability benefits with the
3 System before such member's date of termination from service and
4 provide such additional information that the System's rules require
5 within six (6) months of the System's receipt of such application.
6 If the member's completed application for disability benefits is not
7 filed with the System before the member's date of termination from
8 service or such additional information as is required under the
9 System's rules is not provided within six (6) months of the System's
10 receipt of such application, such member shall be eligible only for
11 such other benefits as are available to members of the System and
12 shall not be eligible to receive any disability benefits. For good
13 cause shown, the Board of Trustees may waive the requirement that
14 the disability application be filed before the member's date of
15 termination from service. In no event shall a member be eligible to
16 receive any disability benefit if the member's completed application
17 is filed more than six (6) months after the member's date of
18 termination from service.

19 N. If the requirements of Section 2-305.1C of this title are
20 satisfied, a member who, by reason of disability or attainment of
21 normal retirement date or age, is separated from service as a public
22 safety officer with the member's participating employer may elect to
23 have payment made directly to the provider for qualified health
24 insurance premiums by deduction from his or her monthly disability

1 benefit or monthly retirement payment, after December 31, 2006, in
2 accordance with Section 402(1) of the Internal Revenue Code of 1986,
3 as amended. For distributions made after December 29, 2022, the
4 election provided for under Section 402(1) of the Internal Revenue
5 Code of 1986, as amended, may be made whether payment of the
6 premiums is made directly to the provider of the accident or health
7 plan or qualified long-term care insurance contract by deduction
8 from a distribution from the System or is made to the member.

9 SECTION 2. AMENDATORY 62 O.S. 2021, Section 3103, as
10 last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp.
11 2023, Section 3103), is amended to read as follows:

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

14 1. "Amendment" means any amendment, including a substitute
15 bill, made to a retirement bill by any committee of the House of
16 Representatives or Senate, any conference committee of the House or
17 Senate or by the House or Senate;

18 2. "RB number" means that number preceded by the letters "RB"
19 assigned to a retirement bill by the respective staffs of the
20 ~~Oklahoma State~~ Senate and the ~~Oklahoma~~ House of Representatives when
21 the respective staff office prepares a retirement bill for a member
22 of the Legislature;

23 3. "Legislative Actuary" means the firm or entity that enters
24 into a contract with the Legislative Service Bureau pursuant to

1 Section 452.15 of Title 74 of the Oklahoma Statutes to provide the
2 actuarial services and other duties provided for in the Oklahoma
3 Pension Legislation Actuarial Analysis Act;

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

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

9 a. which does not affect the cost or funding factors of a
10 retirement system,

11 b. which affects such factors only in a manner which does
12 not:

13 (1) grant a benefit increase under the retirement
14 system affected by the bill,

15 (2) create an actuarial accrued liability for or
16 increase the actuarial accrued liability of the
17 retirement system affected by the bill, or

18 (3) increase the normal cost of the retirement system
19 affected by the bill,

20 c. which authorizes the purchase by an active member of
21 the retirement system, at the actuarial cost for the
22 purchase as computed pursuant to the statute in effect
23 on the effective date of the measure allowing such
24 purchase, of years of service for purposes of reaching

1 a normal retirement date in the applicable retirement
2 system, but which cannot be used in order to compute
3 the number of years of service for purposes of
4 computing the retirement benefit for the member,

5 d. which provides for the computation of a service-
6 connected disability retirement benefit for members of
7 the Oklahoma Law Enforcement Retirement System
8 pursuant to Section 2-305 of Title 47 of the Oklahoma
9 Statutes if the members were unable to complete twenty
10 (20) years of service as a result of the disability,

11 e. which requires membership in the defined benefit plan
12 authorized by Section 901 et seq. of Title 74 of the
13 Oklahoma Statutes for persons whose first elected or
14 appointed service occurs on or after November 1, 2018,
15 if such persons had any prior service in the Oklahoma
16 Public Employees Retirement System prior to November
17 1, 2015,

18 f. which provides for a one-time increase in retirement
19 benefits if the increase in retirement benefits is not
20 a permanent increase in the gross annual retirement
21 benefit payable to a member or beneficiary, occurs
22 only once pursuant to a single statutory authorization
23 and does not exceed:

24

- 1 (1) the lesser of two percent (2%) of the gross
2 annual retirement benefit of the member or One
3 Thousand Dollars (\$1,000.00) and requires that
4 the benefit may only be provided if the funded
5 ratio of the affected retirement system would not
6 be less than sixty percent (60%) but not greater
7 than eighty percent (80%) after the benefit
8 increase is paid,
- 9 (2) the lesser of two percent (2%) of the gross
10 annual retirement benefit of the member or One
11 Thousand Two Hundred Dollars (\$1,200.00) and
12 requires that the benefit may only be provided if
13 the funded ratio of the affected retirement
14 system would be greater than eighty percent (80%)
15 but not greater than one hundred percent (100%)
16 after the benefit increase is paid,
- 17 (3) the lesser of two percent (2%) of the gross
18 annual retirement benefit of the member or One
19 Thousand Four Hundred Dollars (\$1,400.00) and
20 requires that the benefit may only be provided if
21 the funded ratio of the affected retirement
22 system would be greater than one hundred percent
23 (100%) after the benefit increase is paid, or
24

1 (4) the greater of two percent (2%) of the gross
2 annual retirement benefit of the volunteer
3 firefighter or One Hundred Dollars (\$100.00) for
4 persons who retired from the Oklahoma
5 Firefighters Pension and Retirement System as
6 volunteer firefighters and who did not retire
7 from the Oklahoma Firefighters Pension and
8 Retirement System as a paid firefighter.

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

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

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

21 (1) Section 49-143.7 of Title 11 of the Oklahoma
22 Statutes,

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

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

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

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

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

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

13 j. which reinstates annual retirement pay for a member of
14 the Oklahoma Law Enforcement Retirement System whose
15 first participating service with the System occurred
16 on or after November 1, 2012, pursuant to Section 2-
17 305 of Title 47 of the Oklahoma Statutes.

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

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

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

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

15 9. "Retirement system" means the Teachers' Retirement System of
16 Oklahoma, the Oklahoma Public Employees Retirement System, the
17 Uniform Retirement System for Justices and Judges, the Oklahoma
18 Firefighters Pension and Retirement System, the Oklahoma Police
19 Pension and Retirement System, the Oklahoma Law Enforcement
20 Retirement System, or a retirement system established after January
21 1, 2006.

22 SECTION 3. Section 1 of this act shall become effective in
23 accordance with Section 58 of Article V of the Oklahoma
24 Constitution.

1 SECTION 4. Section 2 of this act shall become effective July 1,
2 2024.

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

7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
8 February 28, 2024 - DO PASS AS AMENDED
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