

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 2991

By: West (Josh)

AS INTRODUCED

An Act relating to retirement; amending 11 O.S. 2021, Section 49-106, as amended by Section 1, Chapter 151, O.S.L. 2023 (11 O.S. Supp. 2023, Section 49-106), which relates to the Oklahoma Firefighters Pension and Retirement System; updating reference; directing that revisions be taken into account; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 49-106, as amended by Section 1, Chapter 151, O.S.L. 2023 (11 O.S. Supp. 2023, Section 49-106), is amended to read as follows:

Section 49-106. A. Any firefighter who reaches the firefighter's normal retirement date shall be entitled, upon written request, to retire from such service and be paid from the Oklahoma Firefighters Pension and Retirement System a monthly pension equal to the member's accrued retirement benefit; provided, that the pension shall cease during any period of time the member may thereafter serve for compensation in any municipal fire department

1 in the state. If such a member is reemployed by a participating  
2 municipality in a position which is not covered by the System,  
3 retirement shall also include receipt by such member of in-service  
4 distributions from the System.

5 B. With respect to distributions under the System made for  
6 calendar years beginning on or after January 1, 2005, the System  
7 shall apply the minimum distribution incidental benefit  
8 requirements, incidental benefit requirements, and minimum  
9 distribution requirements of Section 401(a)(9) of the Internal  
10 Revenue Code of 1986, as amended, in accordance with the final  
11 regulations under Section 401(a)(9) of the Internal Revenue Code of  
12 1986, as amended, including Treasury Regulations Sections  
13 1.401(a)(9)-1 through 1.401(a)(9)-9; provided, however, that for  
14 distributions required to be made after December 31, 2019, for  
15 individuals who attain seventy and one-half (70 1/2) years of age  
16 after December 31, 2019, but before January 1, 2023, such  
17 distributions shall take into account that age 70 1/2 was stricken  
18 and age 72 was inserted in Section 401(a)(9)(B)(iv)(I), Section  
19 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal  
20 Revenue Code of 1986, as amended, and, provided further, that for  
21 individuals who attain seventy-two (72) years of age after December  
22 31, 2022, such distributions shall take into account that "age 72"  
23 was stricken and "the applicable age", as defined in Section  
24 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended,

1 was inserted in Section 401(a)(9)(B)(iv)(I) of the Internal Revenue  
2 Code of 1986, as amended (applicable to calendar year 2023), Section  
3 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal  
4 Revenue Code of 1986, as amended, and that the further revision of  
5 Section 401(a)(9)(B)(iv) of the Internal Revenue Code of 1986, as  
6 amended, effective for calendar years after 2023 with respect to  
7 certain distributions shall be taken into account, in all cases  
8 notwithstanding any provision of the System to the contrary. With  
9 respect to distributions under the System made for calendar years  
10 beginning on or after January 1, 2001, through December 31, 2004,  
11 the System shall apply the minimum distribution requirements and  
12 incidental benefit requirements of Section 401(a)(9) of the Internal  
13 Revenue Code of 1986, as amended, in accordance with the regulations  
14 under Section 401(a)(9) of the Internal Revenue Code of 1986, as  
15 amended, which were proposed in January 2001, notwithstanding any  
16 provision of the System to the contrary. Effective July 1, 1989,  
17 notwithstanding any other provision contained herein to the  
18 contrary, in no event shall commencement of distribution of the  
19 accrued retirement benefit of a member be delayed beyond April 1 of  
20 the calendar year following the later of:

21 1. The calendar year in which the member reaches seventy and  
22 one-half (70 1/2) years of age for a member who attains age seventy  
23 and one-half (70 1/2) before January 1, 2020, or effective for  
24 distributions required to be made after December 31, 2019, but

1 before January 1, 2023, the calendar year in which the member  
2 reaches seventy-two (72) years of age for an individual who attains  
3 age seventy and one-half (70 1/2) after December 31, 2019, or  
4 effective for distributions required to be made after December 31,  
5 2022, the calendar year in which the member reaches seventy-three  
6 (73) years of age for an individual who attains age seventy-two (72)  
7 after December 31, 2022, or "the applicable age", as defined in  
8 Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as  
9 amended, if later; or

10 2. The actual retirement date of the member.

11 Effective September 8, 2009, notwithstanding anything to the  
12 contrary of the System, the System, which is a governmental plan  
13 (within the meaning of Section 414(d) of the Internal Revenue Code  
14 of 1986, as amended) is treated as having complied with Section  
15 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all  
16 years to which Section 401(a)(9) of the Internal Revenue Code of  
17 1986, as amended, applies to the System if the System complies with  
18 a reasonable and good-faith interpretation of Section 401(a)(9) of  
19 the Internal Revenue Code of 1986, as amended.

20 C. Any member or beneficiary eligible to receive a monthly  
21 benefit from the System may make an election to waive all or a  
22 portion of monthly benefits.

23 D. If the requirements of Section 49-106.5 of this title are  
24 satisfied, a member who, by reason of attainment of normal

1 retirement date or age, is separated from service as a public safety  
2 officer with the member's participating municipality, may elect to  
3 have payment made directly to the provider for qualified health  
4 insurance premiums by deduction from his or her monthly pension  
5 payment, after December 31, 2006, in accordance with Section 402(1)  
6 of the Internal Revenue Code of 1986, as amended. For distributions  
7 made after December 29, 2022, the election provided for under  
8 Section 402(1) of the Internal Revenue Code of 1986, as amended, may  
9 be made whether payment of the premiums is made directly to the  
10 provider of the accident or health plan or qualified long-term care  
11 insurance contract by deduction from a distribution from the System  
12 or is made to the member.

13 SECTION 2. It being immediately necessary for the preservation  
14 of the public peace, health or safety, an emergency is hereby  
15 declared to exist, by reason whereof this act shall take effect and  
16 be in full force from and after its passage and approval.

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18 59-2-8607 CMA 12/04/23

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January 2, 2024

Representative Josh West  
Room 205

Re: RBH No. 8607

RBH No. 8607 amends the Oklahoma Firefighters Pension and Retirement System to conform to the Federal requirements for a tax qualified plan.

RBH No. 8607 is a non fiscal bill as defined by OPLAAA.

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