

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 1739

By: Moore

AS INTRODUCED

An Act relating to retirement; amending 47 O.S. 2021, Sections 2-304 and 2-305, which relate to the Oklahoma Law Enforcement Retirement System; modifying employer contribution; modifying employee contribution; modifying top base salary provisions; modifying positions that receive certain benefit computation; providing that certain provisions apply to certain individuals; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 2-304, is amended to read as follows:

~~Section 2-304. A. The Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Control Board, the Oklahoma Tourism and Recreation Department and the State Board of Pharmacy shall make contributions to the fund as follows:~~

~~The Department of Public Safety, Oklahoma State Bureau of Investigation, Oklahoma State Bureau of Narcotics and Dangerous~~

1 ~~Drugs Control, the Alcoholic Beverage Control Board, the Oklahoma~~
 2 ~~Tourism and Recreation Department and the State Board of Pharmacy~~
 3 ~~shall contribute to the fund an amount equal to eleven percent (11%)~~
 4 ~~of the actual paid base salary of each member.~~

5 Effective July 1, 2025, participating employers shall contribute
 6 an amount equal to a percentage of the actual paid base salary of
 7 each member as follows:

8	<u>July 1, 2025 through June 30, 2026</u>	<u>12.5%</u>
9	<u>July 1, 2026 through June 30, 2027</u>	<u>13.5%</u>
10	<u>July 1, 2027 through June 30, 2028</u>	<u>14.5%</u>
11	<u>July 1, 2028 through June 30, 2029</u>	<u>15.5%</u>
12	<u>July 1, 2029 through June 30, 2030 and</u>	
13	<u>each year thereafter</u>	<u>16.5%</u>

14 B. Each member of the System shall make contributions to the
 15 fund in an amount equal to ~~eight percent (8%)~~ nine percent (9%) of
 16 the actual paid base salary of the member.

17 Member contributions shall be deducted by each participating
 18 employer for such benefits as the Board is by law authorized to
 19 administer and shall be remitted monthly, or as the Board may
 20 otherwise provide, for deposit in the fund.

21 C. Each employer shall pick up under the provisions of Section
 22 414(h) (2) of the Internal Revenue Code of 1986 and pay the
 23 contribution which the member is required by law to make to the
 24 System for all compensation earned after December 31, 1989.

1 Although the contributions so picked up are designated as member
2 contributions, such contributions shall be treated as contributions
3 being paid by the employer in lieu of contributions by the member in
4 determining tax treatment under the Internal Revenue Code of 1986
5 and such picked up contributions shall not be includable in the
6 gross income of the member until such amounts are distributed or
7 made available to the member or the beneficiary of the member. The
8 member, by the terms of this System, shall not have any option to
9 choose to receive the contributions so picked up directly and the
10 picked up contributions must be paid by the employer to the System.

11 Member contributions which are picked up shall be treated in the
12 same manner and to the same extent as member contributions made
13 prior to the date on which member contributions were picked up by
14 the participating employer. Member contributions so picked up shall
15 be included in gross salary for purposes of determining benefits and
16 contributions under the System.

17 The employer shall pay the member contributions from the same
18 source of funds used in paying salary to the member, by effecting an
19 equal cash reduction in gross salary of the member.

20 SECTION 2. AMENDATORY 47 O.S. 2021, Section 2-305, as
21 last amended by Section 9, Chapter 151, O.S.L. 2023 (47 O.S. Supp.
22 2024, Section 2-305), is amended to read as follows:

23 Section 2-305. A. Except as otherwise provided in this title,
24 at any time after attaining normal retirement date, any member of

1 the Oklahoma Law Enforcement Retirement System upon application for
2 unreduced retirement benefits made and approved, may retire, and,
3 during the remainder of the member's lifetime, receive annual
4 retirement pay, payable in equal monthly payments, equal to two and
5 one-half percent (2 1/2%) of the final average salary times years of
6 credited service. If such retired member is reemployed by a state
7 agency in a position which is not covered by the System, such
8 retired member shall continue to receive in-service distributions
9 from the System. Prior to September 19, 2002, if such retired
10 member was reemployed by a state agency in a position which is
11 covered by the System, such member shall continue to receive in-
12 service distributions from the System and shall not accrue any
13 further credited service. If such a member is reemployed by a state
14 agency in a position which is covered by the System on or after
15 September 19, 2002, such member's monthly retirement payments shall
16 be suspended until such member retires and is not reemployed by a
17 state agency in a position which is covered by the System.

18 B. Beginning July 1, 1994, members who retired or were eligible
19 to retire prior to July 1, 1980, or their surviving spouses shall
20 receive annual retirement pay, payable in equal monthly payments,
21 equal to the greater of their current retirement pay, or two and
22 one-half percent (2 1/2%) of the actual paid gross salary being
23 currently paid to a highway patrol officer, at the time each such
24

1 monthly retirement payment is made, multiplied by the retired
2 member's years of credited service.

3 C. Except as otherwise provided by this subsection, members of
4 the System whose salary is set by statute who have retired after
5 completion of the mandatory twenty (20) years of service, and those
6 members with statutory salaries who retire after reaching the
7 mandatory twenty-year retirement shall receive an annual retirement
8 pay, payable in equal monthly installments, based upon the greater
9 of either:

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

- 18 a. Oklahoma Highway Patrolman,
19 b. Communications Dispatcher,
20 c. Capitol Patrolman,
21 d. Lake Patrolman, and
22 e. Oklahoma State Bureau of Investigation - Special Agent
23 or Criminalist; or
24

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

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

8 ~~The provisions of paragraph 1 of this subsection shall not be~~
9 ~~applicable to any member whose first participating service with the~~
10 ~~System occurs on or after November 1, 2012, except for those members~~
11 ~~who died in the performance of their duties pursuant to Section 2-~~
12 ~~306 of this title~~

13 The provisions of paragraph 1 of this subsection shall include
14 those members who died in the performance of their duties pursuant
15 to Section 2-306 of this title.

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

22 1. The actual average salary currently paid to the highest
23 nonsupervisory position in the participating agency at the time each
24 such monthly payment is made, limited to the annual salary limit of

1 the Economic Growth and Tax Relief Reconciliation Act of 2001, as
2 described in paragraph 9 of Section 2-300 of this title, multiplied
3 by two and one-half percent (2 1/2%), multiplied by the number of
4 years of credited service and fraction thereof for the following
5 positions:

- 6 a. Alcoholic Beverage Laws Enforcement Commission - ABLE
7 Commission Agent III,
- 8 b. Oklahoma State Bureau of Narcotics and Dangerous Drugs
9 Control - Narcotics Agent III,
- 10 c. Oklahoma Tourism and Recreation Department - Park
11 Ranger II,
- 12 d. State Board of Pharmacy - Pharmacy Inspector,
- 13 e. University of Oklahoma - Police Officer, ~~and~~
- 14 f. Oklahoma State University - Police Officer,
- 15 g. Attorney General Agent, and
- 16 h. Military Department Police Officer; or

17 2. The other member's final average salary as set forth in
18 paragraph 9 of Section 2-300 of this title, multiplied by two and
19 one-half percent (2 1/2%), multiplied by the number of years of
20 credited 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. The participating employer must certify to the
24 System in writing the actual average gross salary currently paid to

1 the highest nonsupervisory position. The Board of Trustees shall
2 promulgate such rules as are necessary to implement the provisions
3 of this section.

4 ~~The provisions of paragraph 1 of this subsection shall not be~~
5 ~~applicable to any member whose first participating service with the~~
6 ~~System occurs on or after May 24, 2013, except for those members who~~
7 ~~died in the performance of their duties pursuant to Section 2-306 of~~
8 ~~this title~~

9 The provisions of paragraph 1 of this subsection shall include
10 those members who died in the performance of their duties pursuant
11 to Section 2-306 of this title.

12 E. A member who meets the definition of disability as defined
13 in paragraph 11 of Section 2-300 of this title by direct reason of
14 the performance of the member's duties as an officer shall receive a
15 monthly benefit equal to:

- 16 1. Two and one-half percent (2 1/2%);
- 17 2. Multiplied by:
 - 18 a. twenty (20) years of credited service, if the member
19 had performed less than twenty (20) years of credited
20 service, notwithstanding the actual number of years of
21 credited service performed by the member prior to the
22 date of disability, or
 - 23 b. the actual number of years of credited service and
24 fraction thereof performed by the member prior to the

1 date of disability, if the member had performed twenty
2 (20) or more years of credited service;

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

- 6 a. the final average salary of the member, as set forth
7 in paragraph 9 of Section 2-300 of this title, and
8 b. (1) the top base salary currently paid to the highest
9 nonsupervisory position in the participating
10 agency of the member at the time each monthly
11 payment is made, limited to the annual salary
12 limit of the Economic Growth and Tax Relief
13 Reconciliation Act of 2001 described in paragraph
14 9 of Section 2-300 of this title, for the
15 following positions:

- 16 (a) Oklahoma Highway Patrolman,
17 (b) Communications Dispatcher,
18 (c) Capitol Patrolman,
19 (d) Lake Patrolman, and
20 (e) Oklahoma State Bureau of Investigation -
21 Special Agent or Criminalist,

22 Provided, the participating employer must certify to the System
23 in writing the top base salary currently paid to the highest
24

1 nonsupervisory position for division (1) of subparagraph b of this
2 paragraph, or

3 (2) the actual average salary currently paid to the
4 highest nonsupervisory position in the
5 participating agency of the member at the time
6 each monthly payment is made, limited to the
7 annual salary limit of the Economic Growth and
8 Tax Relief Reconciliation Act of 2001, described
9 in paragraph 9 of Section 2-300 of this title,
10 for the following positions:

11 (a) Alcoholic Beverage Laws Enforcement (ABLE)
12 Commission - ABLE Commission Agent III,

13 (b) Oklahoma State Bureau of Narcotics and
14 Dangerous Drugs Control - Narcotics Agent
15 III,

16 (c) Oklahoma Tourism and Recreation Department -
17 Park Ranger II,

18 (d) State Board of Pharmacy - Pharmacy
19 Inspector,

20 (e) University of Oklahoma - Police Officer, ~~and~~

21 (f) Oklahoma State University - Police Officer,

22 (g) Attorney General Agent, and

23 (h) Military Department Police Officer,

24

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

5 4. No member of the System receiving benefits prescribed by
6 this subsection who retired prior to July 1, 2002, shall receive a
7 benefit of less than the amount the member was receiving as of June
8 30, 2002;

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

11 6. If such member participates in the Oklahoma Law Enforcement
12 Deferred Option Plan pursuant to Section 2-305.2 of this title, then
13 such member's disability pension provided pursuant to this
14 subsection shall be reduced to account for such member's
15 participation in the Oklahoma Law Enforcement Deferred Option Plan.

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

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

22 2. Multiplied by:

23 a. twenty (20) years of service, regardless of the actual
24 number of years of credited service performed by the

1 member prior to the date of disability, if the member
2 had performed less than twenty (20) years of service,
3 or

4 b. the actual number of years of service performed by the
5 member if the member had performed twenty (20) or more
6 years of service;

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

8 a. the salary which the member would have received
9 pursuant to statutory salary schedules in effect upon
10 the date of the disability for twenty (20) years of
11 service prior to disability. The final average salary
12 for a member who performed less than twenty (20) years
13 of service prior to disability shall be computed
14 assuming that the member was paid the highest salary
15 allowable pursuant to the law in effect at the time of
16 the member's disability based upon twenty (20) years
17 of service and with an assumption that the member was
18 eligible for any and all increases in pay based upon
19 rank during the entire period. If the salary of a
20 member is not prescribed by a specific salary schedule
21 upon the date of the member's disability, the final
22 average salary for the member shall be computed by the
23 member's actual final average salary or the highest
24 median salary amount for a member whose salary was

1 prescribed by a specific salary schedule upon the date
2 of the member's disability, whichever final average
3 salary amount would be greater, or

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

7 If such member participates in the Oklahoma Law Enforcement
8 Deferred Option Plan pursuant to Section 2-305.2 of this title, such
9 member's disability pension provided pursuant to this subsection
10 shall be adjusted as provided in Section 2-305.2 of this title to
11 account for such member's participation in the Oklahoma Law
12 Enforcement Deferred Option Plan.

13 G. A member who meets the definition of disability as defined
14 in Section 2-300 of this title and whose disability occurred prior
15 to the member's normal retirement date but after completing three
16 (3) years of vesting service and not by reason of the performance of
17 the member's duties or as a result of the member's willful
18 negligence shall receive a monthly benefit equal to two and one-half
19 percent (2 1/2%) of final average salary multiplied by the number of
20 years of the member's credited service.

21 H. Payment of a disability pension shall commence as of the
22 first day of the month coinciding or next following the date of
23 retirement and shall continue as long as the member meets the
24

1 definition of total and permanent disability provided in this
2 section.

3 I. For the purpose of determining the member's disability under
4 subsection E, F or G of this section, the member shall be required
5 by the Board to be examined by a minimum of two recognized
6 physicians selected by the Board to determine the extent of the
7 member's injury or illness. The examining physicians shall furnish
8 the Board a detailed written report of the injury or illness of the
9 examined member establishing the extent of disability and the
10 possibilities of the disabled member being returned to his or her
11 regular duties or an alternate occupation or service covered by the
12 System after a normal recuperation period. The Board shall require
13 all retired disabled members who have not attained their normal
14 retirement date to submit to a physical examination once each year
15 for a minimum of three (3) years following retirement. The Board
16 shall select a minimum of two physicians to examine the retired
17 members and pay for their services from the fund. Any retired
18 disabled member found no longer disabled by the examining physicians
19 to perform the occupation of the member or an alternate occupation
20 or service covered by the System shall be required to return to duty
21 and complete twenty (20) years of service as provided in subsection
22 A of this section, or forfeit all his or her rights and claims under
23 Section 2-300 et seq. of this title.

24

1 J. The disability benefit under this section shall be for the
2 lifetime of the member unless such member is found no longer
3 disabled pursuant to subsection I of this section. Such member
4 shall not be entitled to the retirement benefit pursuant to
5 subsection A of this section unless such member returns to active
6 duty and is eligible for a retirement benefit as provided in
7 subsection A of this section.

8 K. At the postoffer, preemployment physical examination
9 required under paragraph 6 of Section 2-300 of this title, the
10 physician selected by the Board shall determine the extent to which
11 a new member is disabled. If a member is determined to be partially
12 disabled, the physician shall assign a percentage of disability to
13 such partial disability. If such member then becomes entitled to a
14 disability benefit under either subsection E or subsection G of this
15 section, the benefit payable shall be reduced by the percentage
16 which such member was determined to be disabled at the postoffer,
17 preemployment physical unless the Board makes a determination that
18 the initially determined percentage of disability at the
19 preemployment physical examination is unrelated to the reason for
20 the disability currently sought pursuant to subsection E or
21 subsection G of this section. Upon employment, the member shall
22 disclose to the Board any disability payments received from any
23 source. The amount of disability to be paid to any member cannot
24 exceed one hundred percent (100%) disability from all sources. The

1 provisions of this subsection shall apply only to members whose
2 effective date of membership is on or after July 1, 2000.

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

15 M. Notwithstanding any other provisions in Section 2-300
16 through 2-315 of this title, in order to be eligible to receive
17 disability benefits, a member who meets the definition of disability
18 as defined in paragraph 11 of Section 2-300 of this title shall file
19 the member's completed application for disability benefits with the
20 System before such member's date of termination from service and
21 provide such additional information that the System's rules require
22 within six (6) months of the System's receipt of such application.
23 If the member's completed application for disability benefits is not
24 filed with the System before the member's date of termination from

1 service or such additional information as is required under the
2 System's rules is not provided within six (6) months of the System's
3 receipt of such application, such member shall be eligible only for
4 such other benefits as are available to members of the System and
5 shall not be eligible to receive any disability benefits. For good
6 cause shown, the Board of Trustees may waive the requirement that
7 the disability application be filed before the member's date of
8 termination from service. In no event shall a member be eligible to
9 receive any disability benefit if the member's completed application
10 is filed more than six (6) months after the member's date of
11 termination from service.

12 N. If the requirements of Section 2-305.1C of this title are
13 satisfied, a member who, by reason of disability or attainment of
14 normal retirement date or age, is separated from service as a public
15 safety officer with the member's participating employer may elect to
16 have payment made directly to the provider for qualified health
17 insurance premiums by deduction from his or her monthly disability
18 benefit or monthly retirement payment, after December 31, 2006, in
19 accordance with Section 402(1) of the Internal Revenue Code of 1986,
20 as amended. For distributions made after December 29, 2022, the
21 election provided for under Section 402(1) of the Internal Revenue
22 Code of 1986, as amended, may be made whether payment of the
23 premiums is made directly to the provider of the accident or health
24

1 plan or qualified long-term care insurance contract by deduction
2 from a distribution from the System or is made to the member.

3 SECTION 3. This act shall become effective July 1, 2025.

4 SECTION 4. 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

9 60-1-10889 CMA 12/27/24

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

THOMAS E. CUMMINS CONSULTING ACTUARY, INC.

2512 E. 71st Street , Suite D · Tulsa, Oklahoma 74136
(918) 492-9658 · (918) 492- 9659

January 9, 2025

Representative Moore
Room 406S

Re: RBH No. 10889

RBH No. 10889 increases the participating employers' contribution rates to

7/01/2025: 12,5%
7/01/2026: 13.5%
7/01/2027: 14.5%
7/01/2018: 15.5 %

Participant contribution rate increases to 9% from 8%.

Attorney General Agents and Military Department police are included in the base pay minimum retirement provision.

RBH No. 10889 is a fiscal bill as defined by OPLAAA. Including Attorney General Agents and Military Department police in the base pay minimum retirement benefit increases the Normal Cost and Accrued Actuarial Liability.

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