

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2687

By: George

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems;
amending 62 O.S. 2021, Section 3103, which relates to
the Oklahoma Pension Legislation Actuarial Analysis
Act; modifying definition; providing that certain
members may make election to participate in the
Oklahoma Law Enforcement Retirement System; providing
who shall be members of retirement system; providing
for the transfer of certain contributions and
records; providing that member shall pay the
difference to receive credit; providing exception;
prohibiting the transfer of service credit under
certain circumstances; providing for codification;
and providing effective dates.

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. 2023,
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

1 Senate, any conference committee of the House or Senate or by the
2 House or Senate;

3 2. "RB number" means that number preceded by the letters "RB"
4 assigned to a retirement bill by the respective staffs of the
5 Oklahoma State Senate and the Oklahoma House of Representatives when
6 the respective staff office prepares a retirement bill for a member
7 of the Legislature;

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

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

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

18 a. which does not affect the cost or funding factors of a
19 retirement system,

20 b. which affects such factors only in a manner which does
21 not:

22 (1) grant a benefit increase under the retirement
23 system affected by the bill,

24

- (2) create an actuarial accrued liability for or increase the actuarial accrued liability of the retirement system affected by the bill, or
- (3) increase the normal cost of the retirement system affected by the bill,

- c. which authorizes the purchase by an active member of the retirement system, at the actuarial cost for the purchase as computed pursuant to the statute in effect on the effective date of the measure allowing such purchase, of years of service for purposes of reaching a normal retirement date in the applicable retirement system, but which cannot be used in order to compute the number of years of service for purposes of computing the retirement benefit for the member,
- d. which provides for the computation of a service-connected disability retirement benefit for members of the Oklahoma Law Enforcement Retirement System pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes if the members were unable to complete twenty (20) years of service as a result of the disability,
- e. which requires membership in the defined benefit plan authorized by Section 901 et seq. of Title 74 of the Oklahoma Statutes for persons whose first elected or appointed service occurs on or after November 1, 2018,

1 if such persons had any prior service in the Oklahoma
2 Public Employees Retirement System prior to November
3 1, 2015,

4 f. which provides for a one-time increase in retirement
5 benefits if the increase in retirement benefits is not
6 a permanent increase in the gross annual retirement
7 benefit payable to a member or beneficiary, occurs
8 only once pursuant to a single statutory authorization
9 and does not exceed:

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

18 (2) the lesser of two percent (2%) of the gross
19 annual retirement benefit of the member or One
20 Thousand Two Hundred Dollars (\$1,200.00) and
21 requires that the benefit may only be provided if
22 the funded ratio of the affected retirement
23 system would be greater than eighty percent (80%)
24

1 but not greater than one hundred percent (100%)
2 after the benefit increase is paid,

3 (3) the lesser of two percent (2%) of the gross
4 annual retirement benefit of the member or One
5 Thousand Four Hundred Dollars (\$1,400.00) and
6 requires that the benefit may only be provided if
7 the funded ratio of the affected retirement
8 system would be greater than one hundred percent
9 (100%) after the benefit increase is paid, or

10 (4) the greater of two percent (2%) of the gross
11 annual retirement benefit of the volunteer
12 firefighter or One Hundred Dollars (\$100.00) for
13 persons who retired from the Oklahoma
14 Firefighters Pension and Retirement System as
15 volunteer firefighters and who did not retire
16 from the Oklahoma Firefighters Pension and
17 Retirement System as a paid firefighter.

18 As used in this subparagraph, "funded ratio" means the
19 figure derived by dividing the actuarial value of
20 assets of the applicable retirement system by the
21 actuarial accrued liability of the applicable
22 retirement system,

23 g. which modifies the disability pension standard for
24 police officers who are members of the Oklahoma Police

Pension and Retirement System as provided by Section 3
of this act,

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

(1) Section 49-143.7 of Title 11 of the Oklahoma
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 authorizes membership in the Oklahoma Law
Enforcement Retirement System for certain individuals
pursuant to Sections 2 and 3 of this act.

A nonfiscal retirement bill shall include any retirement bill that
has as its sole purpose the appropriation or distribution or

1 redistribution of monies in some manner to a retirement system for
2 purposes of reducing the unfunded liability of such system or the
3 earmarking of a portion of the revenue from a tax to a retirement
4 system or increasing the percentage of the revenue earmarked from a
5 tax to a retirement system;

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

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

17 8. "Retirement bill having a fiscal impact" means any
18 retirement bill creating or establishing a retirement system and any
19 other retirement bill other than a nonfiscal retirement bill; and

20 9. "Retirement system" means the Teachers' Retirement System of
21 Oklahoma, the Oklahoma Public Employees Retirement System, the
22 Uniform Retirement System for Justices and Judges, the Oklahoma
23 Firefighters Pension and Retirement System, the Oklahoma Police
24 Pension and Retirement System, the Oklahoma Law Enforcement

1 Retirement System, or a retirement system established after January
2 1, 2006.

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2-309.9 of Title 47, unless
5 there is created a duplication in numbering, reads as follows:

6 A. Members of the Oklahoma Public Employees Retirement System
7 who are active commissioned or Council on Law Enforcement Education
8 and Training (CLEET) certified agents of the Office of the Attorney
9 General on June 30, 2024, may make an irrevocable written election
10 to participate in the Oklahoma Law Enforcement Retirement System.
11 Commissioned or CLEET certified agents of the Office of the Attorney
12 General who are hired on or after July 1, 2024, shall participate in
13 and make contributions to the Oklahoma Law Enforcement Retirement
14 System as other participating employers and members of the System.
15 Officers who make the election as provided by this section shall be
16 subject to the following:

17 1. Upon the date the commissioned or CLEET certified agent
18 makes the election pursuant to this section, he or she shall cease
19 accruing benefits in the Oklahoma Public Employees Retirement System
20 and shall commence accruing benefits in the Oklahoma Law Enforcement
21 Retirement System;

22 2. Prior to the beginning of the month following receipt of the
23 commissioned or CLEET certified agent's election by the Oklahoma
24 Public Employees Retirement System, the Oklahoma Public Employees

1 Retirement System shall transfer to the Oklahoma Law Enforcement
2 Retirement System all employee contributions and employer
3 contributions including any amounts received by the Oklahoma Public
4 Employees Retirement System on behalf of a transferring member
5 related to a purchase or transfer of credited service to the
6 Oklahoma Public Employees Retirement System. The Oklahoma Public
7 Employees Retirement System shall also send to the Oklahoma Law
8 Enforcement Retirement System the retirement records of the
9 transferring member;

10 3. To receive service credit accrued by such transferring
11 member prior to the election, or prior to the date as of which the
12 person making the election ceases to be a member of the Oklahoma
13 Public Employees Retirement System, whichever date occurs last, the
14 member shall make an irrevocable written election. The election
15 shall be to pay the difference between the amount transferred by the
16 Oklahoma Public Employees Retirement System to the Oklahoma Law
17 Enforcement Retirement System in paragraph 2 of this subsection and
18 the amount determined by the Board of Trustees pursuant to Section
19 2-307.5 of Title 47 of the Oklahoma Statutes to receive full
20 eligible credit for the years sought to be transferred or receive
21 eligible prorated service credit for only the amount received from
22 the Oklahoma Public Employees Retirement System pursuant to this
23 subsection. Payments made by such transferring members pursuant to
24

1 this paragraph shall be made pursuant to subsection B of Section 2-
2 307.5 of Title 47 of the Oklahoma Statutes;

3 4. Service credit shall only be transferable pursuant to this
4 section if the transferring member is not receiving or eligible to
5 receive service credit or benefits from said service in any other
6 public retirement system and has not received service credit for the
7 same years of service pursuant to Sections 2-307.1, 2-307.3, and 2-
8 307.4 of Title 47 of the Oklahoma Statutes. Provided further, that
9 only transferred credited service related to the commissioned or
10 CLEET certified agent with the Office of the Attorney General and
11 any other law enforcement related service, including service with
12 the Office of the Attorney General as a commissioned or CLEET
13 certified agent or any credited service that was purchased or
14 transferred to the Oklahoma Public Employees Retirement System from
15 the Oklahoma Law Enforcement Retirement System or the Oklahoma
16 Police Pension and Retirement System, shall be included in the
17 determination of an officer's normal retirement date or vesting date
18 in the Oklahoma Law Enforcement Retirement System; and

19 5. All service credit with the Oklahoma Public Employees
20 Retirement System which is ineligible for transfer to the Oklahoma
21 Law Enforcement Retirement System shall be canceled.

22 B. The Office of the Attorney General shall be a participating
23 employer in the Oklahoma Law Enforcement Retirement System for all
24 Office of the Attorney General commissioned or CLEET certified

1 agents who participate in the Oklahoma Law Enforcement Retirement
2 System pursuant to the provisions of this section.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2-309.10 of Title 47, unless
5 there is created a duplication in numbering, reads as follows:

6 A. Members of the Oklahoma Public Employees Retirement System
7 who are active commissioned or Council on Law Enforcement Education
8 and Training (CLEET) certified agents of the Oklahoma Military
9 Department on June 30, 2024, may make an irrevocable written
10 election to participate in the Oklahoma Law Enforcement Retirement
11 System. Commissioned or CLEET certified agents of the Oklahoma
12 Military Department who are hired on or after July 1, 2024, shall
13 participate in and make contributions to the Oklahoma Law
14 Enforcement Retirement System as other participating employers and
15 members of the System. Officers who make the election as provided
16 by this section shall be subject to the following:

17 1. Upon the date the commissioned or CLEET certified agent
18 makes the election pursuant to this section, he or she shall cease
19 accruing benefits in the Oklahoma Public Employees Retirement System
20 and shall commence accruing benefits in the Oklahoma Law Enforcement
21 Retirement System;

22 2. Prior to the beginning of the month following receipt of the
23 commissioned or CLEET certified agent's election by the Oklahoma
24 Public Employees Retirement System, the Oklahoma Public Employees

1 Retirement System shall transfer to the Oklahoma Law Enforcement
2 Retirement System all employee contributions and employer
3 contributions including any amounts received by the Oklahoma Public
4 Employees Retirement System on behalf of a transferring member
5 related to a purchase or transfer of credited service to the
6 Oklahoma Public Employees Retirement System. The Oklahoma Public
7 Employees Retirement System shall also send to the Oklahoma Law
8 Enforcement Retirement System the retirement records of the
9 transferring member;

10 3. To receive service credit accrued by such transferring
11 member prior to the election, or prior to the date as of which the
12 person making the election ceases to be a member of the Oklahoma
13 Public Employees Retirement System, whichever date occurs last, the
14 member shall make an irrevocable written election. The election
15 shall be to pay the difference between the amount transferred by the
16 Oklahoma Public Employees Retirement System to the Oklahoma Law
17 Enforcement Retirement System in paragraph 2 of this subsection and
18 the amount determined by the Board of Trustees pursuant to Section
19 2-307.5 of Title 47 of the Oklahoma Statutes to receive full
20 eligible credit for the years sought to be transferred or receive
21 eligible prorated service credit for only the amount received from
22 the Oklahoma Public Employees Retirement System pursuant to this
23 subsection. Payments made by such transferring members pursuant to
24

1 this paragraph shall be made pursuant to subsection B of Section 2-
2 307.5 of Title 47 of the Oklahoma Statutes;

3 4. Service credit shall only be transferable pursuant to this
4 section if the transferring member is not receiving or eligible to
5 receive service credit or benefits from said service in any other
6 public retirement system and has not received service credit for the
7 same years of service pursuant to Sections 2-307.1, 2-307.3, and 2-
8 307.4 of Title 47 of the Oklahoma Statutes. Provided further, that
9 only transferred credited service related to the commissioned or
10 CLEET certified agent with the Oklahoma Military Department and any
11 other law enforcement related service, including service with the
12 Oklahoma Military Department as a commissioned or CLEET certified
13 agent or any credited service that was purchased or transferred to
14 the Oklahoma Public Employees Retirement System from the Oklahoma
15 Law Enforcement Retirement System or the Oklahoma Police Pension and
16 Retirement System, shall be included in the determination of an
17 officer's normal retirement date or vesting date in the Oklahoma Law
18 Enforcement Retirement System; and

19 5. All service credit with the Oklahoma Public Employees
20 Retirement System which is ineligible for transfer to the Oklahoma
21 Law Enforcement Retirement System shall be canceled.

22 B. The Oklahoma Military Department shall be a participating
23 employer in the Oklahoma Law Enforcement Retirement System for all
24 Oklahoma Military Department commissioned or CLEET certified agents

1 who participate in the Oklahoma Law Enforcement Retirement System
2 pursuant to the provisions of this section.

3 SECTION 4. Section 1 of this act shall become effective October
4 1, 2024.

5 SECTION 5. Sections 2 and 3 of this act shall become effective
6 November 1, 2024.

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