

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2687

By: George of the House

and

Pemberton of the Senate

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10 COMMITTEE SUBSTITUTE

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

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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:

1 Section 3103. As used in the Oklahoma Pension Legislation
2 Actuarial Analysis Act:

3 1. "Amendment" means any amendment, including a substitute
4 bill, made to a retirement bill by any committee of the House or
5 Senate, any conference committee of the House or Senate or by the
6 House or Senate;

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

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

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

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

22 a. which does not affect the cost or funding factors of a
23 retirement system,

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1 b. which affects such factors only in a manner which does
2 not:

3 (1) grant a benefit increase under the retirement
4 system affected by the bill,

5 (2) create an actuarial accrued liability for or
6 increase the actuarial accrued liability of the
7 retirement system affected by the bill, or

8 (3) increase the normal cost of the retirement system
9 affected by the bill,

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

19 d. which provides for the computation of a service-
20 connected disability retirement benefit for members of
21 the Oklahoma Law Enforcement Retirement System
22 pursuant to Section 2-305 of Title 47 of the Oklahoma
23 Statutes if the members were unable to complete twenty
24 (20) years of service as a result of the disability,

1 e. which requires membership in the defined benefit plan
2 authorized by Section 901 et seq. of Title 74 of the
3 Oklahoma Statutes for persons whose first elected or
4 appointed service occurs on or after November 1, 2018,
5 if such persons had any prior service in the Oklahoma
6 Public Employees Retirement System prior to November
7 1, 2015,

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

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

22 (2) the lesser of two percent (2%) of the gross
23 annual retirement benefit of the member or One
24 Thousand Two Hundred Dollars (\$1,200.00) and

1 requires that the benefit may only be provided if
2 the funded ratio of the affected retirement
3 system would be greater than eighty percent (80%)
4 but not greater than one hundred percent (100%)
5 after the benefit increase is paid,

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

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

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

3 g. which modifies the disability pension standard for
4 police officers who are members of the Oklahoma Police
5 Pension and Retirement System as provided by Section 3
6 of this act,

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

9 (1) Section 49-143.7 of Title 11 of the Oklahoma
10 Statutes,

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

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

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

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

19 (6) Section 930.11 of Title 74 of the Oklahoma
20 Statutes, ~~or~~

21 i. which modifies the computation of the line-of-duty
22 disability benefit pursuant to the provisions of this
23 act, or

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1 j. which authorizes membership in the Oklahoma Law
2 Enforcement Retirement System for certain individuals
3 pursuant to Sections 2 and 3 of this act.

4 A nonfiscal retirement bill shall include any retirement bill that
5 has as its sole purpose the appropriation or distribution or
6 redistribution of monies in some manner to a retirement system for
7 purposes of reducing the unfunded liability of such system or the
8 earmarking of a portion of the revenue from a tax to a retirement
9 system or increasing the percentage of the revenue earmarked from a
10 tax to a retirement system;

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

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

22 8. "Retirement bill having a fiscal impact" means any
23 retirement bill creating or establishing a retirement system and any
24 other retirement bill other than a nonfiscal retirement bill; and

1 9. "Retirement system" means the Teachers' Retirement System of
2 Oklahoma, the Oklahoma Public Employees Retirement System, the
3 Uniform Retirement System for Justices and Judges, the Oklahoma
4 Firefighters Pension and Retirement System, the Oklahoma Police
5 Pension and Retirement System, the Oklahoma Law Enforcement
6 Retirement System, or a retirement system established after January
7 1, 2006.

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

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

22 1. Upon the date the commissioned or CLEET certified agent
23 makes the election pursuant to this section, he or she shall cease
24 accruing benefits in the Oklahoma Public Employees Retirement System

1 and shall commence accruing benefits in the Oklahoma Law Enforcement
2 Retirement System;

3 2. Prior to the beginning of the month following receipt of the
4 commissioned or CLEET certified agent's election by the Oklahoma
5 Public Employees Retirement System, the Oklahoma Public Employees
6 Retirement System shall transfer to the Oklahoma Law Enforcement
7 Retirement System all employee contributions and employer
8 contributions including any amounts received by the Oklahoma Public
9 Employees Retirement System on behalf of a transferring member
10 related to a purchase or transfer of credited service to the
11 Oklahoma Public Employees Retirement System. The Oklahoma Public
12 Employees Retirement System shall also send to the Oklahoma Law
13 Enforcement Retirement System the retirement records of the
14 transferring member;

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

1 eligible credit for the years sought to be transferred or receive
2 eligible prorated service credit for only the amount received from
3 the Oklahoma Public Employees Retirement System pursuant to this
4 subsection. Payments made by such transferring members pursuant to
5 this paragraph shall be made pursuant to subsection B of Section 2-
6 307.5 of Title 47 of the Oklahoma Statutes;

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

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1 5. All service credit with the Oklahoma Public Employees
2 Retirement System which is ineligible for transfer to the Oklahoma
3 Law Enforcement Retirement System shall be canceled.

4 B. The Office of the Attorney General shall be a participating
5 employer in the Oklahoma Law Enforcement Retirement System for all
6 Office of the Attorney General commissioned or CLEET certified
7 agents who participate in the Oklahoma Law Enforcement Retirement
8 System pursuant to the provisions of this section.

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

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

23 1. Upon the date the commissioned or CLEET certified agent
24 makes the election pursuant to this section, he or she shall cease

1 accruing benefits in the Oklahoma Public Employees Retirement System
2 and shall commence accruing benefits in the Oklahoma Law Enforcement
3 Retirement System;

4 2. Prior to the beginning of the month following receipt of the
5 commissioned or CLEET certified agent's election by the Oklahoma
6 Public Employees Retirement System, the Oklahoma Public Employees
7 Retirement System shall transfer to the Oklahoma Law Enforcement
8 Retirement System all employee contributions and employer
9 contributions including any amounts received by the Oklahoma Public
10 Employees Retirement System on behalf of a transferring member
11 related to a purchase or transfer of credited service to the
12 Oklahoma Public Employees Retirement System. The Oklahoma Public
13 Employees Retirement System shall also send to the Oklahoma Law
14 Enforcement Retirement System the retirement records of the
15 transferring member;

16 3. To receive service credit accrued by such transferring
17 member prior to the election, or prior to the date as of which the
18 person making the election ceases to be a member of the Oklahoma
19 Public Employees Retirement System, whichever date occurs last, the
20 member shall make an irrevocable written election. The election
21 shall be to pay the difference between the amount transferred by the
22 Oklahoma Public Employees Retirement System to the Oklahoma Law
23 Enforcement Retirement System in paragraph 2 of this subsection and
24 the amount determined by the Board of Trustees pursuant to Section

1 2-307.5 of Title 47 of the Oklahoma Statutes to receive full
2 eligible credit for the years sought to be transferred or receive
3 eligible prorated service credit for only the amount received from
4 the Oklahoma Public Employees Retirement System pursuant to this
5 subsection. Payments made by such transferring members pursuant to
6 this paragraph shall be made pursuant to subsection B of Section 2-
7 307.5 of Title 47 of the Oklahoma Statutes;

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

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1 5. All service credit with the Oklahoma Public Employees
2 Retirement System which is ineligible for transfer to the Oklahoma
3 Law Enforcement Retirement System shall be canceled.

4 B. The Oklahoma Military Department shall be a participating
5 employer in the Oklahoma Law Enforcement Retirement System for all
6 Oklahoma Military Department commissioned or CLEET certified agents
7 who participate in the Oklahoma Law Enforcement Retirement System
8 pursuant to the provisions of this section.

9 SECTION 4. Section 1 of this act shall become effective October
10 1, 2024.

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

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14 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
15 PENSIONS, dated 02/27/2024 - DO PASS, As Amended and Coauthored.

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