An Act

ENROLLED HOUSE
BILL NO. 3350

By: Frix, Sneed, Kerbs, Grego, O'Donnell, Phillips, Luttrell, Caldwell (Trey), Meredith, Humphrey, Davis, Pae, Marti, Roberts (Sean), Brewer, Wallace, Sims, Virgin, Munson, Nollan, Hill, Roe, Manger, West (Tammy), Perryman, Boles, Stark, Mize, McEntire, West (Josh), Fugate, Albright, Smith, Waldron, Provenzano, Ranson and Nichols of the House

and

Thompson, Rosino, Kidd, Pemberton, Hall, Scott, Dugger, Newhouse, Stanley, Bullard, Pederson, Weaver, Sharp, Boggs, Coleman, Haste, Leewright, Rader, Floyd, Dossett, Brooks, Ikley-Freeman, Kirt, Hicks, Matthews, Boren and Young of the Senate

An Act relating to public retirement systems; amending 62 O.S. 2011, Section 3103, as last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2019, Section 3103), which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definitions; authorizing benefit increase for certain retired members of the Oklahoma Firefighters Pension and Retirement System; providing for offset; authorizing benefit increase for certain retired members of the Oklahoma Police Pension and Retirement System; providing for offset; authorizing retirement

benefit increase for certain retired members of the Uniform Retirement System for Justices and Judges; authorizing retirement benefit increase for certain retired members of the Oklahoma Law Enforcement Retirement System; providing for offset; authorizing retirement benefit increase for certain retired members of the Teachers' Retirement System of Oklahoma; authorizing retirement benefit increase for certain retired members of the Oklahoma Public Employees Retirement System; providing for codification; providing for contingent timing based on failure of emergency clause; providing for payment of benefits by retirement systems for certain periods; providing an effective date; and declaring an emergency.

SUBJECT: Public retirement systems

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp. 2019, 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 Senate, any conference committee of the House or Senate or by the House or Senate;

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

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

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

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

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

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

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

(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,

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

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

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

(2) the lesser of two percent (2%) of the gross annual retirement benefit of the member or One Thousand Two Hundred Dollars ($1,200.00) and requires that the benefit may only be provided if the funded ratio of the affected retirement system would be greater than eighty percent (80%) but not greater than one hundred percent (100%) after the benefit increase is paid,

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

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

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

g. which provides a cost-of-living benefit increase pursuant to the provisions of Sections 2 through 7 of this act.

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

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

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

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

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

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 49-143.7 of Title 11, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection B of this section and except for persons receiving benefits pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes, effective July 1, 2020, any person receiving benefits from the Oklahoma Firefighters Pension and Retirement System as of June 30, 2019, who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:

1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;

2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.

B. Any increase in benefits a person is eligible to receive pursuant to repealed Section 49-136 of Title 11 of the Oklahoma Statutes after June 30, 2008, shall be used to offset the increase in benefits provided in subsection A of this section.

C. Effective July 1, 2020, any person receiving benefits pursuant to Section 49-101 of Title 11 of the Oklahoma Statutes shall each receive:

1. No increase from the amount listed in subsection C of Section 49-143.6 of Title 11 of the Oklahoma Statutes, which is Seven Dollars and fifty-three cents ($7.53) per year of credited service, not to exceed thirty (30) years of service, if the person has been retired for less than two (2) years as of July 1, 2020;

2. An increase in benefits of two percent (2%) to Seven Dollars and sixty-eight cents ($7.68) per year of credited service, not to exceed thirty (30) years of service, if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. An increase in benefits of four percent (4%) to Seven Dollars and eighty-three cents ($7.83) per year of credited service,

not to exceed thirty (30) years of service, if the person has been retired for five (5) years or more as of July 1, 2020.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 50-136.9 of Title 11, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Police Pension and Retirement System as of June 30, 2019, who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:

1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;

2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.

B. Any increase in benefits a person is eligible to receive pursuant to repealed Section 50-120 of Title 11 of the Oklahoma Statutes, after June 30, 2008, shall be offset by the increase in benefits, if any, provided by this section.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1104K of Title 20, unless there is created a duplication in numbering, reads as follows:

Any person receiving benefits from the Uniform Retirement System for Justices and Judges as of June 30, 2019, who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:

1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;

2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-305.12 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 2019, who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:

1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;

2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.

B. Any increase in benefits a person is eligible to receive pursuant to subsection B, C or D of Section 2-305 of Title 47 of the Oklahoma Statutes after July 1, 2020, shall be offset by the increase in benefits, if any, provided by this section.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-116.22 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Any person receiving benefits from the Teachers' Retirement System of Oklahoma as of June 30, 2019, other than those benefits specified in subsection B of this section, who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:

1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;

2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.

B. Any person receiving benefits pursuant to subsection (3) of Section 17-105 of Title 70 of the Oklahoma Statutes whose benefits

commenced prior to July 1, 2020, and who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:

1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;

2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 930.11 of Title 74, unless there is created a duplication in numbering, reads as follows:

Any person receiving benefits from the Oklahoma Public Employees Retirement System as of June 30, 2019, who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:

1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;

2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and

3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.

SECTION 8. If the Emergency Clause is not approved pursuant to the requirements of the Oklahoma Constitution as part of this measure, the effective date of Section 1 of this act shall be October 1, 2020.

SECTION 9. If the Emergency Clause is not approved pursuant to the requirements of the Oklahoma Constitution as part of this measure, the effective date of Sections 2 through 7 of this act shall be November 1, 2020; provided, however, that the benefit increases authorized by Sections 2 through 7 of this act shall be paid for the months of July, August, September and October by each applicable retirement system.

SECTION 10. Except as otherwise provided by Section 8 of this act, Section 1 of this act shall become effective immediately upon signature by the Governor or as otherwise provided by Section 58 of Article V of the Oklahoma Constitution.

SECTION 11. Except as otherwise provided by Section 9 of this act, Sections 2 through 7 of this act shall become effective July 1, 2020.

SECTION 12. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 10th day of March, 2020.

G. Harold Wright
Presiding Officer of the House of Representatives

Passed the Senate the 15th day of May 2020.

Stephanie C. Bice
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 15th day of May, 20 20, at 9:02 o'clock p. M.

By: Rubner Curry

Approved by the Governor of the State of Oklahoma this 21 day of May, 20 20, at 10:00 o'clock a. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 21st day of May, 20 20, at 11:01 o'clock A. M.

By: Michael Rogers

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January 13, 2020

Representative Avery Frix
Room 438

Re: RBH No. 10069

This bill has no provisions.

RBH No. 10069 is a non fiscal bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

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

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February 27, 2020

Representative Avery Frix
Room 438

Re: Proposed Committee Substitute for House Bill No. 3350
RBH No. 11491

Proposed Committee Substitute for House Bill No. 3350 provides a 4% benefit increase for the retirees of the State's retirement systems. The increase would be effective July 1, 2020.

The bill contains an amendment to OPLAAA to allow the bill to be nonfiscal.

Proposed Committee Substitute for House Bill No. 3350 is a non fiscal bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

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

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February 27, 2020

Representative Avery Frix
Room 438

Re: Proposed Committee Substitute for House Bill No. 3350
RBH No. 11518

Proposed Committee Substitute for House Bill No. 3350 RBH No. 11518 provides a benefit increase for the retirees of the State's retirement systems. The increase would be based on years retired as of July 1, 2020.

Years retired	Benefit Increase
1 or less	0%
2 but less than 5	2%
5 or more	4%

The increase would be effective July 1, 2020.
The bill contains an amendment to OPLAAA to allow the bill to be nonfiscal.

Proposed Committee Substitute for House Bill No. 3350 RBH No. 11518 is a non fiscal bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

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

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March 11, 2020

Representative Avery Frix
Room 438

Re: HB 3350 FA1-Frix AV-MAH

HB 3350 FA1-Frix AV-MAH provides clarification of benefit increase for retired Volunteer Firefighters. It does not change the amount of increase.

House Bill No. 3350 as amended by FA1 AV-MAH is a non fiscal bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

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