

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 282

By: Howard

AS INTRODUCED

An Act relating to Oklahoma Public Employees Retirement System; amending 62 O.S. 2021, Section 3103, as last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2022, Section 3103), which relates to definitions; modifying definition of nonfiscal retirement bill; amending 74 O.S. 2021, Section 914, which relates to retirement; decreasing separation period for a retired member to return to work for former employer; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, as last amended by Section 1, Chapter 306, O.S.L. 2022 (62 O.S. Supp. 2022, 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 of Representatives or Senate, any conference committee of the House of of

1 Representatives or Senate or by the House of Representatives or  
2 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

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

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

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

21 e. which requires membership in the defined benefit plan  
22 authorized by Section 901 et seq. of Title 74 of the  
23 Oklahoma Statutes for persons whose first elected or  
24 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%)

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  
25

1 Pension and Retirement System as provided by Section 3  
2 ~~of this act~~ 50-115 of Title 11 of the Oklahoma  
3 Statutes,

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

6 (1) Section 49-143.7 of Title 11 of the Oklahoma  
7 Statutes,

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

10 (3) Section 1104K of Title 20 of the Oklahoma  
11 Statutes,

12 (4) Section 2-305.12 of Title 47 of the Oklahoma  
13 Statutes,

14 (5) Section 17-116.22 of Title 70 of the Oklahoma  
15 Statutes, and

16 (6) Section 930.11 of Title 74 of the Oklahoma  
17 Statutes, ~~or~~

18 i. which modifies the computation of the line-of-duty  
19 disability benefit pursuant to the provisions of ~~this~~  
20 ~~act~~ Section 50-115 of Title 11 of the Oklahoma  
21 Statutes, or

22 j. which modifies the period in which a retired member of  
23 the Oklahoma Public Employees Retirement System is  
24 required to wait prior to re-entering employment with

1           a former employer pursuant to Section 914 of Title 74  
2           of the Oklahoma Statutes.

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

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

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

21           8. "Retirement bill having a fiscal impact" means any  
22 retirement bill creating or establishing a retirement system and any  
23 other retirement bill other than a nonfiscal retirement bill; and  
24  
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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.           AMENDATORY           74 O.S. 2021, Section 914, is  
9 amended to read as follows:

10           Section 914. A. The normal retirement date for a member of the  
11 Oklahoma Public Employees Retirement System shall be as defined in  
12 Section 902 of this title, provided members employed on or after  
13 January 1, 1983, shall have six (6) or more years of full-time-  
14 equivalent employment with a participating employer before receiving  
15 any retirement benefits or if the member is a legislative session  
16 employee of the Legislature, shall have three (3) or more years of  
17 full-time-equivalent employment with a participating employer before  
18 receiving any retirement benefits. In no event shall a normal  
19 retirement date for a member be before six (6) months after the  
20 entry date of the participating employer by whom he or she is  
21 employed.

22           B. A member may be employed beyond the normal retirement date  
23 by the appointing authority of the participating employer. However,  
24 the member may not receive retirement pay so long as the member  
25



1 continues employment under ~~this act~~ Section 901 et seq. of this  
2 title. Any member who has terminated employment with a  
3 participating employer prior to the month immediately preceding ~~said~~  
4 such member's normal retirement date must elect a vested benefit  
5 pursuant to Section 917 of this title before receiving any  
6 retirement benefits.

7 C. Notice for retirement shall be filed through the retirement  
8 coordinator for the participating employer in such form and manner  
9 as the Oklahoma Public Employees Retirement System Board of Trustees  
10 shall prescribe; provided, that such notice for retirement shall be  
11 filed with the office of the retirement system at least sixty (60)  
12 days prior to the date selected for the member's retirement;  
13 provided further, that the Executive Director may waive the sixty-  
14 day notice for good cause shown as defined by the Board.

15 1. The participating employer shall provide the Oklahoma Public  
16 Employees Retirement System with the following information for a  
17 retiring member, no later than the fifteenth day of the month of  
18 retirement: last day physically on the job; last day on payroll;  
19 and final unused sick leave balance.

20 2. Failure to submit this information by the deadline, or  
21 errors in submitted information that result in a disqualification of  
22 retirement eligibility shall be the responsibility of the  
23 participating employer. In cases where the error results in  
24 disqualification of retirement eligibility, it is the participating  
25

1 employer's responsibility to reemploy the member, or retain the  
2 member on the payroll, for time period required to reach  
3 eligibility, not exceeding two (2) months.

4 D. No retirement benefits shall be payable to any member until  
5 the first day of the month following the termination of the member's  
6 employment with any participating employer. The type of retirement  
7 benefit selected by a member may not be changed on or after the  
8 effective date of the member's retirement. Receipt of workers'  
9 compensation benefits shall in no respect disqualify the retiree for  
10 benefits.

11 E. If a retiree should be elected or appointed to any position  
12 or office for which compensation for service is paid from levies or  
13 taxes imposed by the state or any political subdivision thereof, the  
14 retiree shall not receive any retirement benefit for any month for  
15 which the retiree serves in such position or office after the  
16 retiree has received compensation in a sum equal to the amount  
17 allowable as wages or earnings by the Social Security Administration  
18 in any calendar year. This subsection shall not apply to service  
19 rendered by a retiree as a juror, as a witness in any legal  
20 proceeding or action, as an election board judge or clerk, or in any  
21 other office or position of a similar nature, or to an employer that  
22 is not a participating employer. Provided, further, that any  
23 participating employer who is employing such a retiree shall make  
24 proper written notification to the System informing it of the

1 beginning date of such retiree's employment and the date such  
2 retiree reaches the maximum compensation allowed by this section in  
3 the calendar year. Any retiree returning to work for a  
4 participating employer shall make contributions to the System and  
5 the employer shall do likewise. All retirees who have returned to  
6 employment and participation in the System following retirement  
7 shall have post-retirement benefits calculated on one of the  
8 following methods:

9 1. All service accumulated from date of reemployment shall be  
10 computed based on the benefit formula applicable at that time and  
11 the additional benefits shall be added to the previous benefits.  
12 Such additional benefits shall be calculated each year based upon  
13 additional service accrued from July 1 to June 30 of the previous  
14 year and the additional benefit, if any, will be added to the  
15 retiree's monthly benefit beginning January 1, 2000, and each  
16 January 1 thereafter. However, the post-retirement service credit  
17 shall be cumulative, beginning with service credit accrued after the  
18 date of retirement, provided that the retiree has not received a  
19 distribution of the post-retirement contributions.

20 2. Any retiree who returns to employment with a participating  
21 employer may elect not to receive any retirement benefits while so  
22 reemployed. If such an election is made and reemployment is for a  
23 minimum period of thirty-six (36) consecutive months, all service  
24 accumulated from date of reemployment shall be participating

1 service. For purposes of determining the retirement benefits of  
2 such a member upon the termination of such reemployment all  
3 creditable service of the member shall be computed based on the  
4 benefit formula applicable at the time of termination of such  
5 reemployment. Provided, a retiree who became reemployed prior to  
6 July 1, 1982, and who is reemployed for a minimum of thirty-six (36)  
7 consecutive months shall have all the creditable service of such  
8 retiree computed based on the benefit formula applicable at the time  
9 of termination of such reemployment if the retiree elects not to  
10 receive retirement benefits prior to such termination of  
11 reemployment. A retiree who has waived receipt of the monthly  
12 benefit, but is not reemployed for the full thirty-six (36)  
13 consecutive months, shall upon termination of such reemployment have  
14 only the additional amount added to his or her benefit as if they  
15 had not waived the benefit as provided in paragraph 1 of this  
16 subsection.

17 3. All post-retirement additional benefits shall be calculated  
18 using actual hours worked as well as the actual compensation  
19 received and upon which contributions are paid. Post-retirement  
20 service is not subject to the partial year round-up provisions of  
21 subsection C of Section 913 of this title.

22 4. A retired member who returns to work for a participating  
23 employer pursuant to this section shall be bound by the election  
24 made pursuant to paragraph (2) of subsection A of Section 915 of  
25

1 this title if the member had made such election prior to retirement.  
2 If the member had not made such election prior to retirement, the  
3 member may do so during the member's reemployment with a  
4 participating employer pursuant to this section. A Prior to the  
5 effective date of this act, a retired member may not be rehired by  
6 their former employer, nor may the retired member be permitted to  
7 enter into an employment contract of any kind with a former  
8 employer, for a period of one (1) year after the retired member  
9 ended his or her employment with the former employer unless the  
10 retired member waives his or her benefit under paragraph 2 of this  
11 subsection and returns as a bona fide employee. On or after the  
12 effective date of this act, the period that shall precede the date a  
13 retired member may return to work for his or her former employer  
14 shall be six (6) months following the date that the retired member  
15 ended his or her employment with the former employer.

16 F. Except as otherwise provided by subsection G of this  
17 section, any member may elect to retire before his or her normal  
18 retirement date on the first day of any month coinciding with or  
19 following the attainment of age fifty-five (55), provided such  
20 member has completed ten (10) years of participating service, but in  
21 no event before six (6) months after the entry date. Any member who  
22 shall retire before the normal retirement date shall receive an  
23 annual retirement benefit adjusted in accordance with the following  
24 percentage schedule:

	Age	Percentage of Normal Retirement Benefit
1		
2		
3	62	100.00%
4	61	93.33%
5	60	86.67%
6	59	80.00%
7	58	73.33%
8	57	66.67%
9	56	63.33%
10	55	60.00%

11 G. Any member whose first participating service occurs on or  
 12 after November 1, 2011, may elect to retire before his or her normal  
 13 retirement date on the first day of any month coinciding with or  
 14 following the attainment of age sixty (60), provided such member has  
 15 completed ten (10) years of participating service, but in no event  
 16 before six (6) months after the entry date. Any member who shall  
 17 retire before the normal retirement date shall receive an annual  
 18 retirement benefit adjusted in accordance with the following  
 19 percentage schedule:

	Age	Percentage of Normal Retirement Benefit
20		
21		
22	65	100.00%
23	64	93.33%
24	63	86.67%

1	62	80.00%
2	61	73.33%
3	60	66.67%

4 SECTION 3. Section 1 of this act shall become effective October  
5 1, 2023.

6 SECTION 4. Section 2 of this act shall become effective  
7 November 1, 2023.

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