

# An Act

ENROLLED HOUSE  
BILL NO. 1340

By: McDaniel, Bush, McEntire,  
Wallace, West (Tammy), Ford  
(Roger), Sanders, McEachin,  
McCall, Osborn (Leslie) and  
Russ of the House

and

Treat, Pederson, Pemberton,  
Rosino, Bice, Matthews,  
Brooks, Ikley-Freeman,  
Stanislowski, Floyd and  
Dossett of the Senate

An Act relating to public retirement systems; making legislative findings; amending 62 O.S. 2011, Section 3103, as amended by Section 1 of Enrolled Senate Bill No. 527 of the 2nd Session of the 56th Oklahoma Legislature, which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definitions; modifying definition of nonfiscal bill; defining terms; providing for distribution to certain retired members of the Oklahoma Firefighters Pension and Retirement System; providing for distribution to certain retired members of the Oklahoma Police Pension and Retirement System; providing for distribution to certain retired members of the Uniform Retirement System for Justices and Judges; providing for distribution to certain retired members of the Oklahoma Law Enforcement Retirement System; providing for distribution to certain retired members of the Teachers' Retirement System of Oklahoma; providing for distribution to certain retired members of the Oklahoma Public Employees Retirement System; specifying amount of distribution; prescribing standards related to funded ratio of retirement systems; requiring specific authorization for retirement benefit increase; prohibiting retirement benefit increases more frequently than specified period; providing for codification; providing for noncodification; and providing effective dates.

SUBJECT: Public Retirement Systems

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The Legislature finds that retirees of the public retirement systems have not had an increase in retirement benefits pursuant to a legislative authorization since 2008. The Legislature recognizes its responsibilities to the retired members of the public retirement systems and the fiduciary nature of its obligations to ensure that public retirement systems are managed in order to ensure that benefits will be paid to the persons who have retired from the systems and to their beneficiaries. The Legislature finds that a modification to the legal standards pursuant to which benefit increases may be authorized is a prudent response to the economic and financial concerns of the retiree populations while also maintaining adequate safeguards for the preservation of retirement system assets and liquidity which are a necessary precondition for the payment of any and all postretirement benefit increases. The Legislature finds that a benefit increase which balances the financial concerns of the retiree populations with the obligation to ensure funding adequacy for the retirement systems is consistent with its obligations with respect to prudent and conservative management.

SECTION 2. AMENDATORY 62 O.S. 2011, Section 3103, as amended by Section 1 of Enrolled Senate Bill No. 527 of the 2nd Session of the 56th Oklahoma Legislature, 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, ~~or~~
- 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, ~~or~~
- 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

