

## STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1307

By: Meredith

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Law Enforcement Retirement System; 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; amending 47 O.S. 2011, Sections 2-300, as amended by Section 1, Chapter 383, O.S.L. 2015, 2-304, as amended by Section 1, Chapter 307, O.S.L. 2012 and 2-314 (47 O.S. Supp. 2019, Sections 2-300 and 2-304), which relate to definitions and certain irrevocable elections for participation in the retirement system; modifying definitions; providing for membership by certain law enforcement officers of institutions within The Oklahoma State System of Higher Education; modifying employer and employee contribution rates for certain members of the System; modifying provisions related to elections; providing for Board of Regents to make irrevocable elections with respect to certain police officers employed by institutions; providing for membership in the Oklahoma Law Enforcement Retirement System; providing for transfer of service credit from the Teachers' Retirement System of Oklahoma; prescribing procedures for payment of actuarial cost with respect to certain service credit; providing for elections with respect to police officers based upon designation of first participating service; providing for codification; and providing effective dates.

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

2 SECTION 1. AMENDATORY 62 O.S. 2011, Section 3103, as  
3 last amended by Section 2, Chapter 245, O.S.L. 2018 (62 O.S. Supp.  
4 2019, Section 3103), is amended to read as follows:

5 Section 3103. As used in the Oklahoma Pension Legislation  
6 Actuarial Analysis Act:

7 1. "Amendment" means any amendment, including a substitute  
8 bill, made to a retirement bill by any committee of the House or  
9 Senate, any conference committee of the House or Senate or by the  
10 House or Senate;

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

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

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

- 1       5. "Nonfiscal retirement bill" means a retirement bill:
- 2           a. which does not affect the cost or funding factors of a
- 3                 retirement system, or
- 4           b. which affects such factors only in a manner which does
- 5                 not:
- 6                 (1) grant a benefit increase under the retirement
- 7                         system affected by the bill,
- 8                 (2) create an actuarial accrued liability for or
- 9                         increase the actuarial accrued liability of the
- 10                         retirement system affected by the bill, or
- 11                 (3) increase the normal cost of the retirement system
- 12                         affected by the bill,
- 13           c. which authorizes the purchase by an active member of
- 14                 the retirement system, at the actuarial cost for the
- 15                 purchase as computed pursuant to the statute in effect
- 16                 on the effective date of the measure allowing such
- 17                 purchase, of years of service for purposes of reaching
- 18                 a normal retirement date in the applicable retirement
- 19                 system, but which cannot be used in order to compute
- 20                 the number of years of service for purposes of
- 21                 computing the retirement benefit for the member,
- 22           d. which provides for the computation of a service-
- 23                 connected disability retirement benefit for members of
- 24                 the Oklahoma Law Enforcement Retirement System

- 1           pursuant to Section 2-305 of Title 47 of the Oklahoma  
2           Statutes if the members were unable to complete twenty  
3           (20) years of service as a result of the disability,  
4       e.    which requires membership in the defined benefit plan  
5           authorized by Section 901 et seq. of Title 74 of the  
6           Oklahoma Statutes for persons whose first elected or  
7           appointed service occurs on or after November 1, 2018,  
8           if such persons had any prior service in the Oklahoma  
9           Public Employees Retirement System prior to November  
10          1, 2015, ~~or~~  
11       f.   which provides for a one-time increase in retirement  
12          benefits if the increase in retirement benefits is not  
13          a permanent increase in the gross annual retirement  
14          benefit payable to a member or beneficiary, occurs  
15          only once pursuant to a single statutory authorization  
16          and does not exceed:  
17           (1)   the lesser of two percent (2%) of the gross  
18                annual retirement benefit of the member or One  
19                Thousand Dollars (\$1,000.00) and requires that  
20                the benefit may only be provided if the funded  
21                ratio of the affected retirement system would not  
22                be less than sixty percent (60%) but not greater  
23                than eighty percent (80%) after the benefit  
24                increase is paid,

- 1 (2) the lesser of two percent (2%) of the gross  
2 annual retirement benefit of the member or One  
3 Thousand Two Hundred Dollars (\$1,200.00) and  
4 requires that the benefit may only be provided if  
5 the funded ratio of the affected retirement  
6 system would be greater than eighty percent (80%)  
7 but not greater than one hundred percent (100%)  
8 after the benefit increase is paid,
- 9 (3) the lesser of two percent (2%) of the gross  
10 annual retirement benefit of the member or One  
11 Thousand Four Hundred Dollars (\$1,400.00) and  
12 requires that the benefit may only be provided if  
13 the funded ratio of the affected retirement  
14 system would be greater than one hundred percent  
15 (100%) after the benefit increase is paid, or
- 16 (4) the greater of two percent (2%) of the gross  
17 annual retirement benefit of the volunteer  
18 firefighter or One Hundred Dollars (\$100.00) for  
19 persons who retired from the Oklahoma  
20 Firefighters Pension and Retirement System as  
21 volunteer firefighters and who did not retire  
22 from the Oklahoma Firefighters Pension and  
23 Retirement System as a paid firefighter; or  
24

1           g. which provides for the purchase of service credit  
2           in the Oklahoma Law Enforcement Retirement System  
3           using an actuarial cost computation as authorized  
4           pursuant to Section 5 of this act.

5           As used in this subparagraph, "funded ratio" means the  
6           figure derived by dividing the actuarial value of  
7           assets of the applicable retirement system by the  
8           actuarial accrued liability of the applicable  
9           retirement system.

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

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

21          7. "Retirement bill" means any bill or joint resolution  
22          introduced or any bill or joint resolution amended by a member of  
23          the Oklahoma Legislature which creates or amends any law directly  
24          affecting a retirement system. A retirement bill shall not mean a

1 bill or resolution that impacts the revenue of any state tax in  
2 which a portion of the revenue generated from such tax is earmarked  
3 for the benefit of a retirement system;

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

7 9. "Retirement system" means the Teachers' Retirement System of  
8 Oklahoma, the Oklahoma Public Employees Retirement System, the  
9 Uniform Retirement System for Justices and Judges, the Oklahoma  
10 Firefighters Pension and Retirement System, the Oklahoma Police  
11 Pension and Retirement System, the Oklahoma Law Enforcement  
12 Retirement System, or a retirement system established after January  
13 1, 2006.

14 SECTION 2. AMENDATORY 47 O.S. 2011, Section 2-300, as  
15 amended by Section 1, Chapter 383, O.S.L. 2015 (47 O.S. Supp. 2019,  
16 Section 2-300), is amended to read as follows:

17 Section 2-300. As used in Section 2-300 et seq. of this title:

18 1. "System" means the Oklahoma Law Enforcement Retirement  
19 System;

20 2. "Act" means Section 2-300 et seq. of this title;

21 3. "Board" means the Oklahoma Law Enforcement Retirement Board  
22 of the System;

23 4. "Executive Director" means the managing officer of the  
24 System employed by the Board;

1 5. "Fund" means the Oklahoma Law Enforcement Retirement Fund;

2 6. a. "Member" means:

3 (1) all commissioned law enforcement officers of the  
4 Oklahoma Highway Patrol Division of the  
5 Department of Public Safety who have obtained  
6 certification from the Council on Law Enforcement  
7 Education and Training, and all cadets of a  
8 Patrol Academy of the Department of Public  
9 Safety,

10 (2) law enforcement officers and criminalists of the  
11 Oklahoma State Bureau of Investigation,

12 (3) law enforcement officers of the Oklahoma State  
13 Bureau of Narcotics and Dangerous Drugs Control  
14 designated to perform duties in the investigation  
15 and prevention of crime and the enforcement of  
16 the criminal laws of this state,

17 (4) law enforcement officers of the Oklahoma  
18 Alcoholic Beverage Laws Enforcement Commission  
19 designated to perform duties in the investigation  
20 and prevention of crime and the enforcement of  
21 the criminal laws of this state,

22 (5) employees of the Communications Section of the  
23 Oklahoma Highway Patrol Division, radio  
24 technicians, and tower technicians of the



1 Department of Public Safety, who are employed in  
 2 any such capacity as of June 30, 2008, and who  
 3 remain employed on or after July 1, 2008, until a  
 4 termination of service, or until a termination of  
 5 service with an election of a vested benefit from  
 6 the System, or until retirement. Effective July  
 7 1, 2008, a person employed for the first time as  
 8 an employee of the Department of Public Safety in  
 9 the Communications Division as an information  
 10 systems telecommunication technician of the  
 11 Department of Public Safety shall not be a member  
 12 of the System,

13 (6) park rangers of the Oklahoma Tourism and  
 14 Recreation Department and any park manager or  
 15 park supervisor of the Oklahoma Tourism and  
 16 Recreation Department who was employed in such a  
 17 position prior to July 1, 1985, and who elects on  
 18 or before September 1, 1996, to participate in  
 19 the System, ~~and~~

20 (7) inspectors of the Board of Pharmacy, and

21 (8) law enforcement officers employed either by an  
 22 institution within The Oklahoma State System of  
 23 Higher Education that makes an election  
 24 authorized pursuant to Section 5 of this act and

1           who further elects on an individual basis to  
2           participate in the System or law enforcement  
3           officers employed by an institution within The  
4           Oklahoma State System of Higher Education whose  
5           first participating service in such employment  
6           occurs on or after November 1, 2020, for an  
7           institution that makes an election authorized  
8           pursuant to Section 5 of this act.

9           b. Effective July 1, 1987, a member does not include a  
10           "leased employee" as defined under Section 414(n) (2)  
11           of the Internal Revenue Code of 1986, as amended.  
12           Effective July 1, 1999, any individual who agrees with  
13           the participating employer that the individual's  
14           services are to be performed as a leased employee or  
15           an independent contractor shall not be a member  
16           regardless of any classification as a common-law  
17           employee by the Internal Revenue Service or any other  
18           governmental agency, or any court of competent  
19           jurisdiction.

20           c. All persons who shall be offered a position of a  
21           commissioned law enforcement officer as an employee of  
22           one of the agencies described in subparagraph a of  
23           this paragraph shall participate in the System upon  
24           the person meeting the requisite post-offer-pre-

1 employment physical examination standards which shall  
2 be subject to the following requirements:

3 (1) all such persons shall be of good moral  
4 character, free from deformities, mental or  
5 physical conditions, or disease and alcohol or  
6 drug addiction which would prohibit the person  
7 from performing the duties of a law enforcement  
8 officer,

9 (2) the physical-medical examination shall pertain to  
10 age, sight, hearing, agility and other conditions  
11 the requirements of which shall be established by  
12 the Board,

13 (3) the person shall be required to meet the  
14 conditions of this subsection prior to the  
15 beginning of actual employment but after an offer  
16 of employment has been tendered by a  
17 participating employer,

18 (4) the Board shall have authority to deny or revoke  
19 membership of any person submitting false  
20 information in such person's membership  
21 application, and

22 (5) the Board shall have final authority in  
23 determining eligibility for membership in the  
24

1           System, pursuant to the provisions of this  
2           subsection;

3           7. "Normal retirement date" means the date at which the member  
4 is eligible to receive the unreduced payments of the member's  
5 accrued retirement benefit. Such date shall be the first day of the  
6 month coinciding with or following the date the member:

7           a. completes twenty (20) years of vesting service, or

8           b. attains sixty-two (62) years of age with ten (10)  
9           years of vesting service, or

10          c. attains sixty-two (62) years of age, if:

11           (1) the member has been transferred to this System  
12           from the Oklahoma Public Employees Retirement  
13           System on or after July 1, 1981, and

14           (2) the member would have been vested had the member  
15           continued to be a member of the Oklahoma Public  
16           Employees Retirement System.

17          With respect to distributions under the System made for calendar  
18 years beginning on or after January 1, 2005, the System shall apply  
19 the minimum distribution incidental benefit requirements, incidental  
20 benefit requirements, and minimum distribution requirements of  
21 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,  
22 in accordance with the final regulations under Section 401(a)(9) of  
23 the Internal Revenue Code of 1986, as amended, which were issued in  
24 April 2002 and June 2004, notwithstanding any provision of the

1 System to the contrary. With respect to distributions under the  
2 System made for calendar years beginning on or after January 1,  
3 2001, through December 31, 2004, the System shall apply the minimum  
4 distribution requirements and incidental benefit requirements of  
5 Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,  
6 in accordance with the regulations under Section 401(a)(9) of the  
7 Internal Revenue Code of 1986, as amended, which were proposed in  
8 January 2001, notwithstanding any provision of the System to the  
9 contrary.

10 Effective July 1, 1989, notwithstanding any other provision  
11 contained herein to the contrary, in no event shall commencement of  
12 distribution of the accrued retirement benefit of a member be  
13 delayed beyond April 1 of the calendar year following the later of:  
14 (1) the calendar year in which the member reaches seventy and one-  
15 half (70 1/2) years of age; or (2) the actual retirement date of the  
16 member. The preceding sentence does not allow deferral of benefit  
17 commencement beyond the age of sixty-five (65).

18 Effective September 8, 2009, notwithstanding anything to the  
19 contrary of the System, the System, which as a governmental plan  
20 (within the meaning of Section 414(d) of the Internal Revenue Code  
21 of 1986, as amended), is treated as having complied with Section  
22 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all  
23 years to which Section 401(a)(9) of the Internal Revenue Code of  
24 1986, as amended, applies to the System if the System complies with

1 a reasonable and good faith interpretation of Section 401(a)(9) of  
2 the Internal Revenue Code of 1986, as amended.

3 A member who was required to join the System effective July 1,  
4 1980, because of the transfer of the employing agency from the  
5 Oklahoma Public Employees Retirement System to the System, and was  
6 not a member of the Oklahoma Public Employees Retirement System on  
7 the date of such transfer shall be allowed to receive credit for  
8 prior law enforcement service rendered to this state, if the member  
9 is not receiving or eligible to receive retirement credit or  
10 benefits for such service in any other public retirement system,  
11 upon payment to the System of the employee contribution the member  
12 would have been subject to had the member been a member of the  
13 System at the time, plus five percent (5%) interest. Service credit  
14 received pursuant to this paragraph shall be used in determining the  
15 member's retirement benefit, and shall be used in determining years  
16 of service for retirement or vesting purposes;

17 8. "Actual paid base salary" means the salary received by a  
18 member, excluding payment for any accumulated leave or uniform  
19 allowance. Salary shall include any amount of nonelective salary  
20 reduction under Section 414(h) of the Internal Revenue Code of 1986;

21 9. "Final average salary" means the average of the highest  
22 thirty (30) consecutive complete months of actual paid gross salary.  
23 Gross salary shall include any amount of elective salary reduction  
24 under Section 457 of the Internal Revenue Code of 1986, as amended,

1 and any amount of nonelective salary reduction under Section 414(h)  
2 of the Internal Revenue Code of 1986, as amended. Effective July 1,  
3 1992, gross salary shall include any amount of elective salary  
4 reduction under Section 125 of the Internal Revenue Code of 1986, as  
5 amended. Effective July 1, 1998, gross salary shall include any  
6 amount of elective salary reduction not includable in the gross  
7 income of the member under Section 132(f)(4) of the Internal Revenue  
8 Code of 1986, as amended. Effective July 1, 1998, for purposes of  
9 determining a member's compensation, any contribution by the member  
10 to reduce his or her regular cash remuneration under Section  
11 132(f)(4) of the Internal Revenue Code of 1986, as amended, shall be  
12 treated as if the member did not make such an election. Only salary  
13 on which required contributions have been made may be used in  
14 computing the final average salary. Gross salary shall not include  
15 severance pay.

16 In addition to other applicable limitations, and notwithstanding  
17 any other provision to the contrary, for plan years beginning on or  
18 after July 1, 2002, the annual gross salary of each "Noneligible  
19 Member" taken into account under the System shall not exceed the  
20 Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")  
21 annual salary limit. The EGTRRA annual salary limit is Two Hundred  
22 Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for  
23 increases in the cost of living in accordance with Section  
24 401(a)(17)(B) of the Internal Revenue Code of 1986, as amended. The

1 annual salary limit in effect for a calendar year applies to any  
2 period, not exceeding twelve (12) months, over which salary is  
3 determined ("determination period") beginning in such calendar year.  
4 If a determination period consists of fewer than twelve (12) months,  
5 the EGTRRA salary limit will be multiplied by a fraction, the  
6 numerator of which is the number of months in the determination  
7 period, and the denominator of which is twelve (12). For purposes  
8 of this section, a "Noneligible Member" is any member who first  
9 became a member during a plan year commencing on or after July 1,  
10 1996.

11 For plan years beginning on or after July 1, 2002, any reference  
12 in the System to the annual salary limit under Section 401(a)(17) of  
13 the Internal Revenue Code of 1986, as amended, shall mean the EGTRRA  
14 salary limit set forth in this provision.

15 Effective January 1, 2008, gross salary for a plan year shall  
16 also include gross salary, as described above, for services, but  
17 paid by the later of two and one-half (2 1/2) months after a  
18 member's severance from employment or the end of the calendar year  
19 that includes the date the member terminated employment, if it is a  
20 payment that, absent a severance from employment, would have been  
21 paid to the member while the member continued in employment with the  
22 employer.

23 Effective January 1, 2008, any payments not described above  
24 shall not be considered gross salary if paid after severance from



1 employment, even if they are paid by the later of two and one-half  
2 (2 1/2) months after the date of severance from employment or the  
3 end of the calendar year that includes the date of severance from  
4 employment, except payments to an individual who does not currently  
5 perform services for the employer by reason of qualified military  
6 service within the meaning of Section 414(u)(5) of the Internal  
7 Revenue Code of 1986, as amended, to the extent these payments do  
8 not exceed the amounts the individual would have received if the  
9 individual had continued to perform services for the employer rather  
10 than entering qualified military service.

11 Effective January 1, 2008, back pay, within the meaning of  
12 Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be  
13 treated as gross salary for the limitation year to which the back  
14 pay relates to the extent the back pay represents wages and  
15 compensation that would otherwise be included in this definition.

16 Effective for years beginning after December 31, 2008, gross  
17 salary shall also include differential wage payments under Section  
18 414(u)(12) of the Internal Revenue Code of 1986, as amended;

19 10. "Credited service" means the period of service used to  
20 determine the amount of benefits payable to a member. Credited  
21 service shall consist of the period during which the member  
22 participated in the System or the predecessor Plan as an active  
23 employee in an eligible membership classification, plus any service  
24 prior to the establishment of the predecessor Plan which was

1 credited under the predecessor Plan and for law enforcement officers  
2 and criminalists of the Oklahoma State Bureau of Investigation and  
3 the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control  
4 who became members of the System on July 1, 1980, any service  
5 credited under the Oklahoma Public Employees Retirement System as of  
6 June 30, 1980, and for members of the Communications and Lake Patrol  
7 Divisions of the Oklahoma Department of Public Safety, who became  
8 members of the System on July 1, 1981, any service credited under  
9 the predecessor Plan or the Oklahoma Public Employees Retirement  
10 System as of June 30, 1981, and for law enforcement officers of the  
11 Alcoholic Beverage Laws Enforcement Commission who became members of  
12 the System on July 1, 1982, any service credited under the Oklahoma  
13 Public Employees Retirement System as of June 30, 1982, and for park  
14 rangers of the Oklahoma Tourism and Recreation Department who became  
15 members of the System on July 1, 1985, any service credited under  
16 the Oklahoma Public Employees Retirement System as of June 30, 1985,  
17 and for inspectors of the Oklahoma State Board of Pharmacy who  
18 became members of the System on July 1, 1986, any service credited  
19 under the Oklahoma Public Employees Retirement System as of June 30,  
20 1986, for law enforcement officers of the Oklahoma Capitol Patrol  
21 Division of the Department of Public Safety who became members of  
22 the System effective July 1, 1993, any service credited under the  
23 Oklahoma Public Employees Retirement System as of June 30, 1993, and  
24 for all commissioned officers in the Gunsmith/Ammunition Reloader

1 Division of the Department of Public Safety who became members of  
2 the System effective July 1, 1994, any service credited under the  
3 Oklahoma Public Employees Retirement System as of June 30, 1994, and  
4 for the park managers or park supervisors of the Oklahoma Tourism  
5 and Recreation Department who were employed in such a position prior  
6 to July 1, 1985, and who elect to become members of the System  
7 effective September 1, 1996, any service transferred pursuant to  
8 subsection C of Section 2-309.6 of this title and any service  
9 purchased pursuant to subsection B of Section 2-307.2 of this title.  
10 Effective August 5, 1993, an authorized leave of absence shall  
11 include a period of absence pursuant to the Family and Medical Leave  
12 Act of 1993;

13 11. "Disability" means a physical or mental condition which, in  
14 the judgment of the Board, totally and presumably permanently  
15 prevents the member from engaging in the usual and customary duties  
16 of the occupation of the member and thereafter prevents the member  
17 from performing the duties of any occupation or service for which  
18 the member is qualified by reason of training, education or  
19 experience. A person is not under a disability when capable of  
20 performing a service to the employer, regardless of occupation,  
21 providing the salary of the employee is not diminished thereby;

22 12. "Limitation year" means the year used in applying the  
23 limitations of Section 415 of the Internal Revenue Code of 1986,  
24 which year shall be the calendar year;

1       13. "Line of duty" means any action which a member whose  
2 primary function is crime control or reduction or enforcement of the  
3 criminal law is obligated or authorized by rule, regulations,  
4 condition of employment or service, or law to perform, including  
5 those social, ceremonial, or athletic functions to which the member  
6 is assigned, or for which the member is compensated, by the agency  
7 the member serves;

8       14. "Personal injury" or "injury" means any traumatic injury as  
9 well as diseases which are caused by or result from such an injury,  
10 but not occupational diseases;

11       15. "Catastrophic nature" means consequences of an injury that  
12 permanently prevent an individual from performing any gainful work;

13       16. "Traumatic injury" means a wound or a condition of the body  
14 caused by external force, including injuries inflicted by bullets,  
15 explosives, sharp instruments, blunt objects or other physical  
16 blows, chemicals, electricity, climatic conditions, infectious  
17 diseases, radiation, and bacteria, but excluding stress and strain;  
18 and

19       17. "Beneficiary" means the individual designated by the member  
20 on a beneficiary designation form supplied by the Oklahoma Law  
21 Enforcement Retirement System, or if there is no designated  
22 beneficiary or if the designated beneficiary predeceases the member,  
23 the estate of the member. If the member's spouse is not designated  
24

1 as the sole primary beneficiary, the member's spouse must sign a  
2 consent.

3 SECTION 3. AMENDATORY 47 O.S. 2011, Section 2-304, as  
4 amended by Section 1, Chapter 307, O.S.L. 2012 (47 O.S. Supp. 2019,  
5 Section 2-304), is amended to read as follows:

6 Section 2-304. A. ~~The~~ Except as otherwise provided by  
7 subsection D of this section, the Department of Public Safety, the  
8 Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of  
9 Narcotics and Dangerous Drugs Control, the Alcoholic Beverage  
10 Control Board, the Oklahoma Tourism and Recreation Department and  
11 the State Board of Pharmacy shall make contributions to the fund as  
12 follows:

13 The Department of Public Safety, Oklahoma State Bureau of  
14 Investigation, Oklahoma State Bureau of Narcotics and Dangerous  
15 Drugs Control, the Alcoholic Beverage Control Board, the Oklahoma  
16 Tourism and Recreation Department and the State Board of Pharmacy  
17 shall contribute to the fund an amount equal to eleven percent (11%)  
18 of the actual paid base salary of each member.

19 B. ~~Each~~ Except as otherwise provided by subsection D of this  
20 section, each member of the System shall make contributions to the  
21 fund in an amount equal to eight percent (8%) of the actual paid  
22 base salary of the member.

23 Member contributions shall be deducted by each participating  
24 employer for such benefits as the Board is by law authorized to

1 administer and shall be remitted monthly, or as the Board may  
2 otherwise provide, for deposit in the fund.

3 C. Each employer shall pick up under the provisions of Section  
4 414(h) (2) of the Internal Revenue Code of 1986 and pay the  
5 contribution which the member is required by law to make to the  
6 System for all compensation earned after December 31, 1989.

7 Although the contributions so picked up are designated as member  
8 contributions, such contributions shall be treated as contributions  
9 being paid by the employer in lieu of contributions by the member in  
10 determining tax treatment under the Internal Revenue Code of 1986  
11 and such picked up contributions shall not be includable in the  
12 gross income of the member until such amounts are distributed or  
13 made available to the member or the beneficiary of the member. The  
14 member, by the terms of this System, shall not have any option to  
15 choose to receive the contributions so picked up directly and the  
16 picked up contributions must be paid by the employer to the System.

17 Member contributions which are picked up shall be treated in the  
18 same manner and to the same extent as member contributions made  
19 prior to the date on which member contributions were picked up by  
20 the participating employer. Member contributions so picked up shall  
21 be included in gross salary for purposes of determining benefits and  
22 contributions under the System.

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1 The employer shall pay the member contributions from the same  
2 source of funds used in paying salary to the member, by effecting an  
3 equal cash reduction in gross salary of the member.

4 D. With respect to the members of the System who make the  
5 election to participate in the Oklahoma Law Enforcement Retirement  
6 System as provided by Section 5 of this act, the employer  
7 contribution shall be eleven and two-tenths percent (11.2%) and the  
8 employee contribution shall be eight percent (8%).

9 SECTION 4. AMENDATORY 47 O.S. 2011, Section 2-314, is  
10 amended to read as follows:

11 Section 2-314. A. The Board of Regents of the University of  
12 Oklahoma and/or the Board of Regents for the Oklahoma Agricultural  
13 and Mechanical Colleges may make an irrevocable written election for  
14 the University of Oklahoma and/or Oklahoma State University to  
15 become participating employers in the Oklahoma Law Enforcement  
16 Retirement System for police officers who are CLEET-certified and  
17 employed by the University of Oklahoma and/or Oklahoma State  
18 University. The Board of Regents of the University of Oklahoma  
19 and/or the Board of Regents for the Oklahoma Agricultural and  
20 Mechanical Colleges shall send written notice of the election to the  
21 Oklahoma Law Enforcement Retirement System.

22 B. Beginning the following month after the System receives the  
23 written notice, the University of Oklahoma and/or Oklahoma State  
24 University and all active police officers who are CLEET-certified

1 and hired on or after the date of the election shall participate in  
2 and make contributions to the System as other participating  
3 employers and members of the System.

4 C. Upon election by the Board, pursuant to subsection A of this  
5 section, active CLEET-certified police employed prior to the date of  
6 the election and who were participating in the Teachers' Retirement  
7 System of Oklahoma, may, within three (3) months of the date of the  
8 election, make an irrevocable written election to participate in the  
9 Oklahoma Law Enforcement Retirement System and file the written  
10 election with the Teachers' Retirement System of Oklahoma and the  
11 Oklahoma Law Enforcement Retirement System. Such police officers  
12 who make the election to transfer shall be transferred to the  
13 Oklahoma Law Enforcement Retirement System subject to the following:

14 1. Upon the date of election of the police officer, the police  
15 officer shall cease accruing benefits in the Teachers' Retirement  
16 System of Oklahoma and shall commence accruing benefits in the  
17 Oklahoma Law Enforcement Retirement System;

18 2. Prior to the beginning of the month following receipt of the  
19 police officers' election by Teachers' Retirement System of  
20 Oklahoma, the Teachers' Retirement System of Oklahoma shall transfer  
21 to the Oklahoma Law Enforcement Retirement System all employee  
22 contributions and employer contributions plus accrued interest. The  
23 Teachers' Retirement System of Oklahoma shall also send to the  
24



1 Oklahoma Law Enforcement Retirement System the retirement records of  
2 the transferring police officer;

3 3. To receive service credit accrued by such police officer  
4 prior to the election, or prior to the date as of which the person  
5 making the election ceases to be a member of the Teachers'  
6 Retirement System of Oklahoma, whichever date occurs last, the  
7 member shall pay the difference between the amount transferred by  
8 the Teachers' Retirement System of Oklahoma to the Oklahoma Law  
9 Enforcement Retirement System in paragraph 2 of this subsection and  
10 the amount determined by the Board of Trustees pursuant to Section  
11 2-307.5 of Title 47 of the Oklahoma Statutes. The police officer  
12 shall elect to either pay any difference to receive full credit for  
13 the years sought to be transferred or receive prorated service  
14 credit for only the amount received from the Teachers' Retirement  
15 System of Oklahoma pursuant to this subsection. Payments made by  
16 electing police officers pursuant to this paragraph shall be made  
17 pursuant to subsection B of Section 2-307.5 of Title 47 of the  
18 Oklahoma Statutes;

19 4. Service credit accrued by a police officer while a member of  
20 the Teachers' Retirement System of Oklahoma shall be treated as  
21 credited service for such transferring police officer in the  
22 Teachers' Retirement System of Oklahoma if the police officer is not  
23 receiving or eligible to receive service credit or benefits from  
24 said service in any other public retirement system and the member

1 has not received service credit for the same years of service  
2 pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the  
3 Oklahoma Statutes. Provided further, that only transferred credited  
4 service related to police service with the University of Oklahoma or  
5 Oklahoma State University shall be included in the determination of  
6 a police officer's normal retirement date or vesting date; and

7 5. All service credit with the Teachers' Retirement System of  
8 Oklahoma which is ineligible for transfer to the Oklahoma Law  
9 Enforcement Retirement System shall be canceled.

10 D. Upon election by the Board, pursuant to subsection A of this  
11 section, active CLEET-certified police officers employed prior to  
12 the date of the election and who were not participating in the  
13 Teachers' Retirement System of Oklahoma, may, within three (3)  
14 months of the date of the election, make an irrevocable written  
15 election to participate in the Oklahoma Law Enforcement Retirement  
16 System and file the written election with the Oklahoma Law  
17 Enforcement Retirement System. Beginning the following month after  
18 the System for such police officers receives the police officer's  
19 written election, the University of Oklahoma and/or Oklahoma State  
20 University and the electing police officer shall participate and  
21 make contributions to the System as other participating employers  
22 and members of the System.

23 E. The provisions of this section shall not be modified  
24 pursuant to the provisions of Section 5 of this act and any

1 elections made pursuant to the provisions of this section shall  
2 continue in full force and effect.

3 SECTION 5. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 2-314.1 of Title 47, unless  
5 there is created a duplication in numbering, reads as follows:

6 A. The Board of Regents for an Oklahoma public institution of  
7 higher education may make an irrevocable written election for each  
8 such Oklahoma institution of higher education which is subject to  
9 the governing authority of its Board of Regents to become a  
10 participating employer in the Oklahoma Law Enforcement Retirement  
11 System for police officers who are CLEET-certified and employed by  
12 the Oklahoma institution of higher education with respect to which  
13 the irrevocable election is made. The Board of Regents shall send  
14 written notice of the election to the Oklahoma Law Enforcement  
15 Retirement System for each institution with respect to which an  
16 irrevocable election is made.

17 B. Beginning the following month after the System receives the  
18 written notice, the Oklahoma institution of higher education and,  
19 subject to the election made by each police officer pursuant to  
20 subsection C of this section, all active police officers who are  
21 CLEET-certified as of the date of the election and all police  
22 officers who are CLEET-certified who are hired on or after the date  
23 of the election shall participate in and make contributions to the  
24 System as other participating employers and members of the System.

1 C. Upon election by the Board of Regents, pursuant to  
2 subsection A of this section, active CLEET-certified police officers  
3 employed prior to the date of the election and who were  
4 participating in the Teachers' Retirement System of Oklahoma, may,  
5 within three (3) months of the date of the irrevocable election made  
6 for the applicable institution, make an irrevocable individual  
7 written election to participate in the Oklahoma Law Enforcement  
8 Retirement System and file the written election with the Teachers'  
9 Retirement System of Oklahoma and the Oklahoma Law Enforcement  
10 Retirement System. Such police officers who make the election to  
11 transfer shall be transferred to the Oklahoma Law Enforcement  
12 Retirement System subject to the following:

13 1. Upon the date of election of the police officer, the police  
14 officer shall cease accruing benefits in the Teachers' Retirement  
15 System of Oklahoma and shall commence accruing benefits in the  
16 Oklahoma Law Enforcement Retirement System;

17 2. Prior to the beginning of the month following receipt of the  
18 police officers' election by the Teachers' Retirement System of  
19 Oklahoma, the Teachers' Retirement System of Oklahoma shall transfer  
20 to the Oklahoma Law Enforcement Retirement System all employee  
21 contributions and employer contributions plus accrued interest. The  
22 Teachers' Retirement System of Oklahoma shall also send to the  
23 Oklahoma Law Enforcement Retirement System the retirement records of  
24 the transferring police officer;

1           3. To receive service credit accrued by such police officer in  
2 the Teachers' Retirement System prior to the individual election  
3 made by the police officer, or prior to the date as of which the  
4 person making the election ceases to be a member of the Teachers'  
5 Retirement System of Oklahoma, whichever date occurs last, the  
6 police officer shall pay the difference between the amount  
7 transferred by the Teachers' Retirement System of Oklahoma to the  
8 Oklahoma Law Enforcement Retirement System in paragraph 2 of this  
9 subsection and the amount determined by the Board of Trustees of the  
10 Oklahoma Law Enforcement Retirement System pursuant to Section 2-  
11 307.5 of Title 47 of the Oklahoma Statutes. The police officer  
12 shall elect to either pay any difference to receive full credit for  
13 the years sought to be transferred or receive prorated service  
14 credit for only the amount received from the Teachers' Retirement  
15 System of Oklahoma pursuant to this subsection. Payments made by  
16 electing police officers pursuant to this paragraph shall be made  
17 pursuant to subsection B of Section 2-307.5 of Title 47 of the  
18 Oklahoma Statutes;

19           4. Service credit accrued by a police officer while a member of  
20 the Teachers' Retirement System of Oklahoma shall be treated as  
21 credited service for such transferring police officer in the  
22 Teachers' Retirement System of Oklahoma if the police officer is not  
23 receiving or eligible to receive service credit or benefits from  
24 said service in any other public retirement system and the member

1 has not received service credit for the same years of service  
2 pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the  
3 Oklahoma Statutes. Provided further, that only transferred credited  
4 service related to police service with the applicable institution  
5 within The Oklahoma State System of Higher Education shall be  
6 included in the determination of a police officer's normal  
7 retirement date or vesting date; and

8 5. All service credit with the Teachers' Retirement System of  
9 Oklahoma which is ineligible for transfer to the Oklahoma Law  
10 Enforcement Retirement System shall be canceled.

11 D. Upon election by the Board of Regents for the applicable  
12 institution within The Oklahoma State System of Higher Education,  
13 pursuant to subsection A of this section, active CLEET-certified  
14 police officers employed prior to the date of the election and who  
15 were not participating in the Teachers' Retirement System of  
16 Oklahoma, may, within three (3) months of the date of the election,  
17 make an irrevocable written election to participate in the Oklahoma  
18 Law Enforcement Retirement System and file the written election with  
19 the Oklahoma Law Enforcement Retirement System. Beginning the  
20 following month after the System receives the police officer's  
21 individual written election, the institution making this election  
22 and the electing police officer shall participate and make  
23 contributions to the System as other participating employers and  
24 members of the System.

1 SECTION 6. Section 1 of this act shall become effective October  
2 1, 2020.

3 SECTION 7. Sections 2 through 5 of this act shall become  
4 effective November 1, 2020.

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